

McILNAY

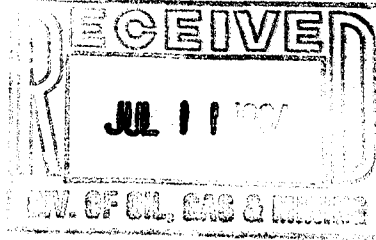
McILNAY & ASSOCIATES, INC.

2305 OXFORD LANE • CASPER, WY 82604 • (307) 265-4351 • FAX (307) 473-1218

PETROLEUM CONSULTING ENGINEERS & PROPERTY MANAGEMENT

REGISTERED PROFESSIONAL ENGINEERS

July 8, 1994



Utah Board of Oil, Gas and Mining
3 Triad Center, Ste. 350
355 W. North Temple
Salt Lake City, UT 84180-1203

Re: Form 3, Application for Permit to Drill, Petral Exploration LLC
#1 REA-Springbank, Sec. 2-T38S-R24E, San Juan Co., UT

Dear Sirs:

Enclosed on behalf of our client, Petral Exploration LLC, is Form 3 for the subject well. Also enclosed are the following items, as required by R649-3-4:

1. the Designation of Agent or Operator and the
2. Drilling Program with BOP Schematic and the
3. Surveyors Plat and the
4. Access Road Map and the
5. Location Layout and Cross Section.

In addition, we have enclosed information for the following items:

6. copy of County Application for Right-of-Way Encroachment Permit and the
7. Water Use Permit and the
8. Archeological Survey and the
9. BLM Right-of-Way application.

Water Use Approval

Approval is pending. Application for Temporary Change of Water on the Permit No. 09169-6249 belonging to Mr. H. C. Perkins has been filed. The source well flows 60 gal/min. Upon approval by the State the permit will be forwarded to the Utah Division of Oil, Gas and Mining.

Archeological Survey

Enclosed is the archeological survey of the well location. The access route was subsequently changed and is covered by an additional archeological survey which was submitted directly to your office by 4-Corners Archeological Services.

Right of Way Applications

Applications have been made to the BLM for an access route Right-of-Way. Application has also been made to San Juan County for a Right-of-Way Encroachment Permit and will be sent to your office as soon as it is approved.

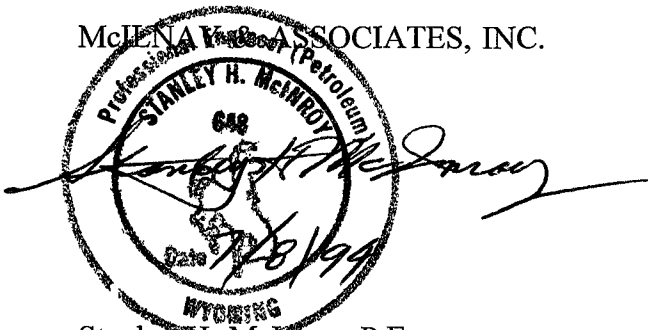
This is an exception location. We have filed an application for the exception with the Utah Board of Oil, Gas and Mining.

Petral Exploration LLC is in the process of obtaining the appropriate bonding for this project and will furnish to the Utah Division of Oil, Gas and Mining when it is finalized.

Please advise if further information is needed. Your earliest attention to this matter will be appreciated. The well must spud prior to the lease expiration date of September 9, 1994.

Very truly yours,

McILNAY & ASSOCIATES, INC.



Stanley H. McInroy, P.E.
Wyo. Reg. No. 648

SHMc/so

Enclosures

cc: Petral Exploration LLC
Rose Exploration Associates

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL OR DEEPEN		5. Lease Designation and Serial Number: State ML-36200	
1A. Type of Work: DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		6. If Indian, Allottee or Tribe Name: NA	
		7. Unit Agreement Name: NA	
B. Type of Well: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER: SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name: REA-Springbank	
2. Name of Operator: Petral Exploration LLC		9. Well Number: 1	
3. Address and Telephone Number: c/o McIlnay & Associates, Inc. 2305 Oxford Lane, Casper, WY 82604 (307) 265-4351		10. Field and Pool, or Wildcat: Wildcat UNDESIGNATED	
4. Location of Well (Footages) At Surface: 1388' FNL & 466' FEL At Proposed Producing Zone: Same		11. Qtr/Qtr, Section, Township, Range, Meridian: NE SE NE Sec. 2-38S-24E	
14. Distance in miles and direction from nearest town or post office: Approximately 11 miles SE of Blanding, UT		12. County: San Juan	13. State: UTAH
15. Distance to nearest property or lease line (feet): 466'	16. Number of acres in lease: 645.68	17. Number of acres assigned to this well: 40	
18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet): NA	19. Proposed Depth: 5925'	20. Rotary or cable tools: Rotary	
21. Elevations (show whether DF, RT, GR, etc.): 5222' Ungraded GL		22. Approximate date work will start: August 15, 1994	

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	New, 13 3/8"	48 or 54.5#	80'	To surface
12 1/4"	New, 8 5/8"	24#, J or K-55	1765'	980 sks
7 7/8"	New, 5 1/2"	15.5#, K-55	5925'	280 sks

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

It is proposed to drill a well at the above location with the primary zone of interest the Upper Ismay Mound at 5515'. If the well proves productive, 5 1/2" casing will be cemented in place and the well completed. If the well is found non-productive, it will be plugged and abandoned and the surface restored as per the State of Utah regulations.

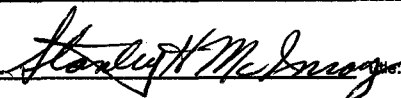
See attached "Drilling Prognosis" and BOP program, etc. for details. Bond coverage for lease activities is being provided by Petral.

**APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING**

DATE: 7/28/94
BY: [Signature]
WELL SPACING: 649-3-3

24.

Name & Signature: Stanley H McInroy



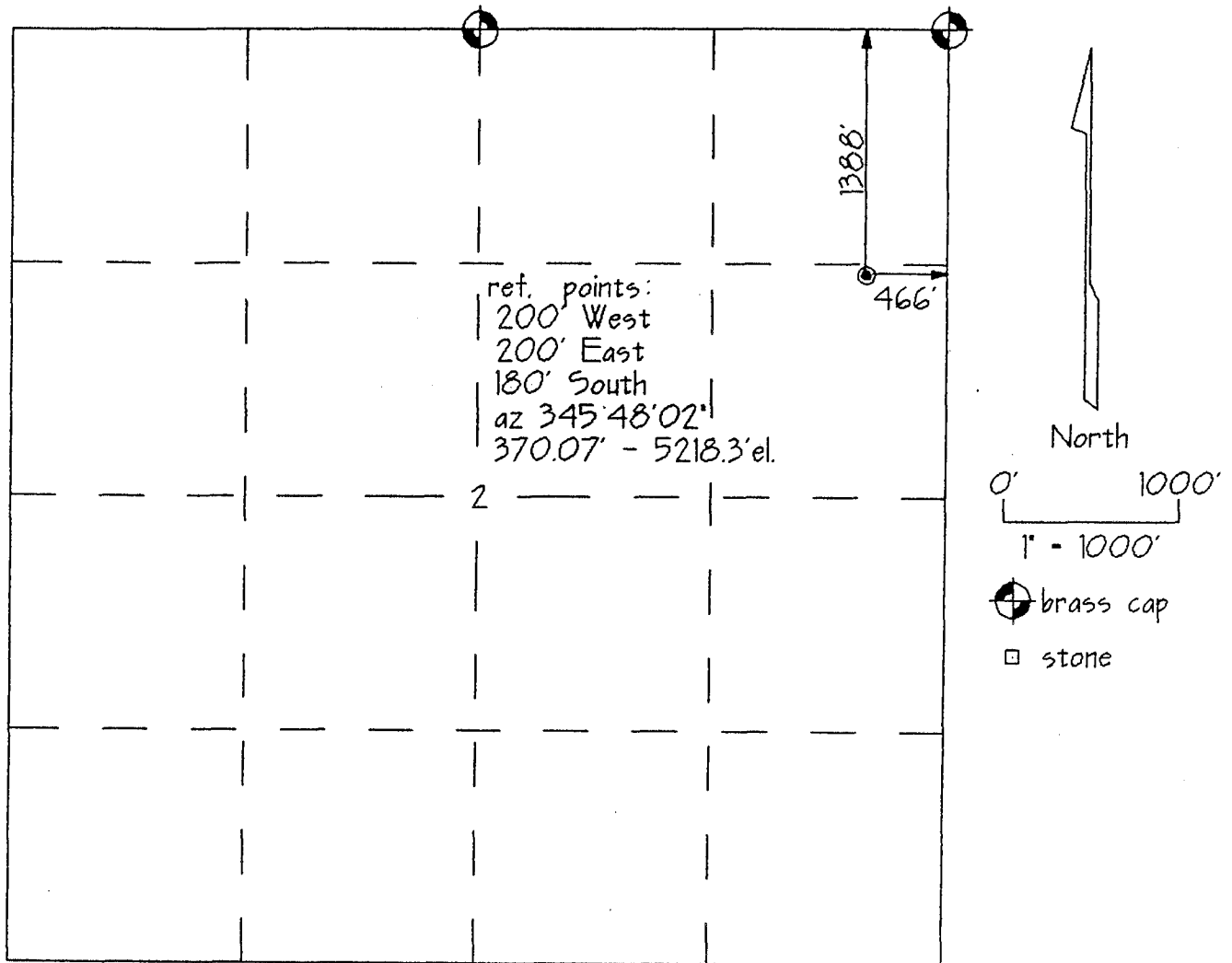
Representative for Petral Exploration LLC
McIlnay & Associates, Inc. Date: 7-8-94
Consulting Engineers

(This space for State use only)

API Number Assigned: 43-037-31746

Approval:

Well Location Plat



Well Location Description

PETRAL EXPLORATION

1 REA Springbank

1388' FNL & 466' FEL

Section 2, T.38 S., R.24 E.

San Juan county, UT

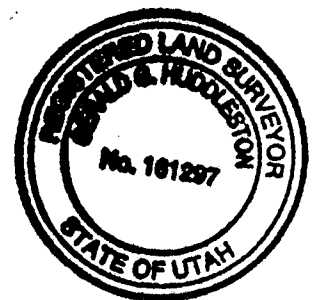
5222' ground elevation

N = 317,098 & E = 2,654,871 from seismic survey
 fnd. TP 9-3, shot points 166,165 & 161, line 91-NP-9

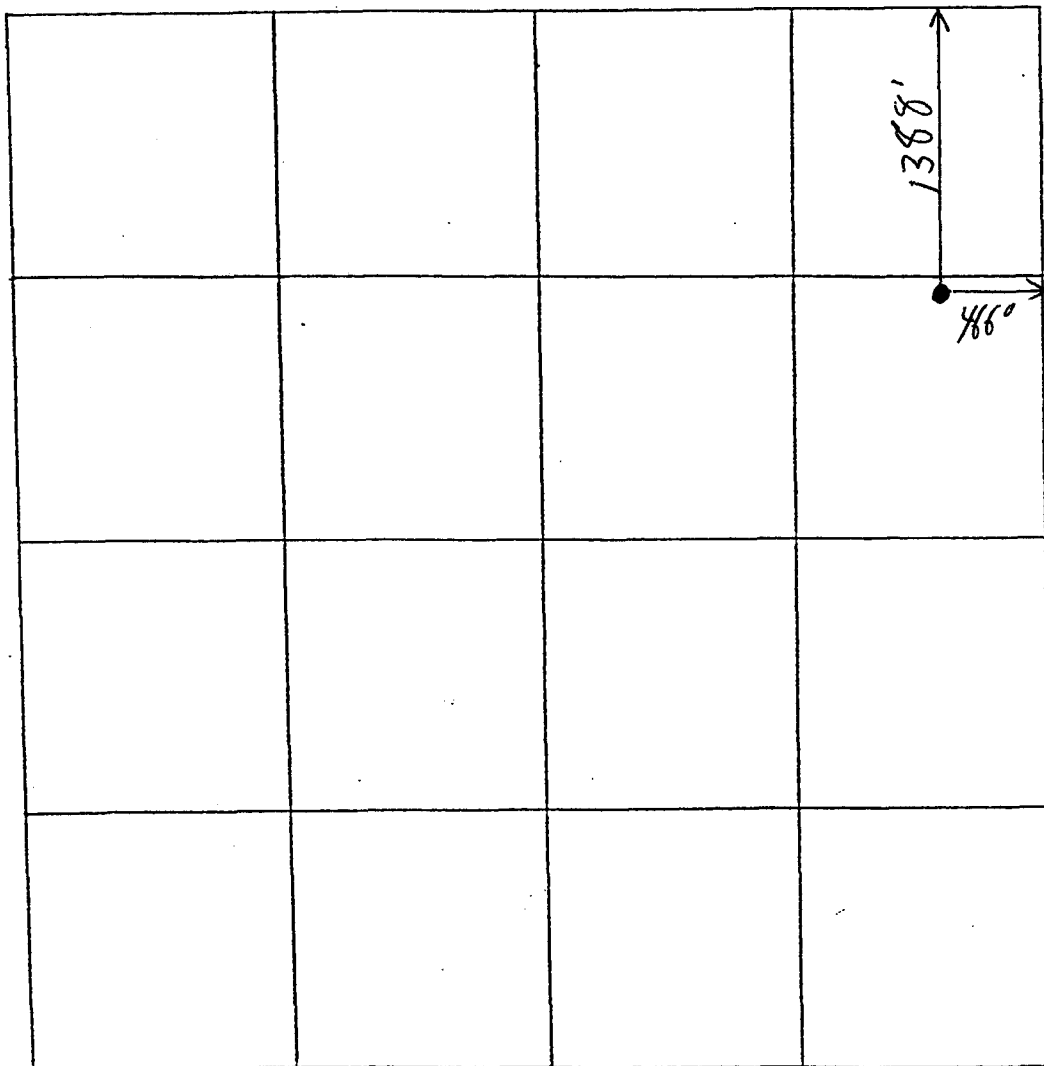
29 June 1994

Gerald G. Huddleston
 Gerald G. Huddleston, LS

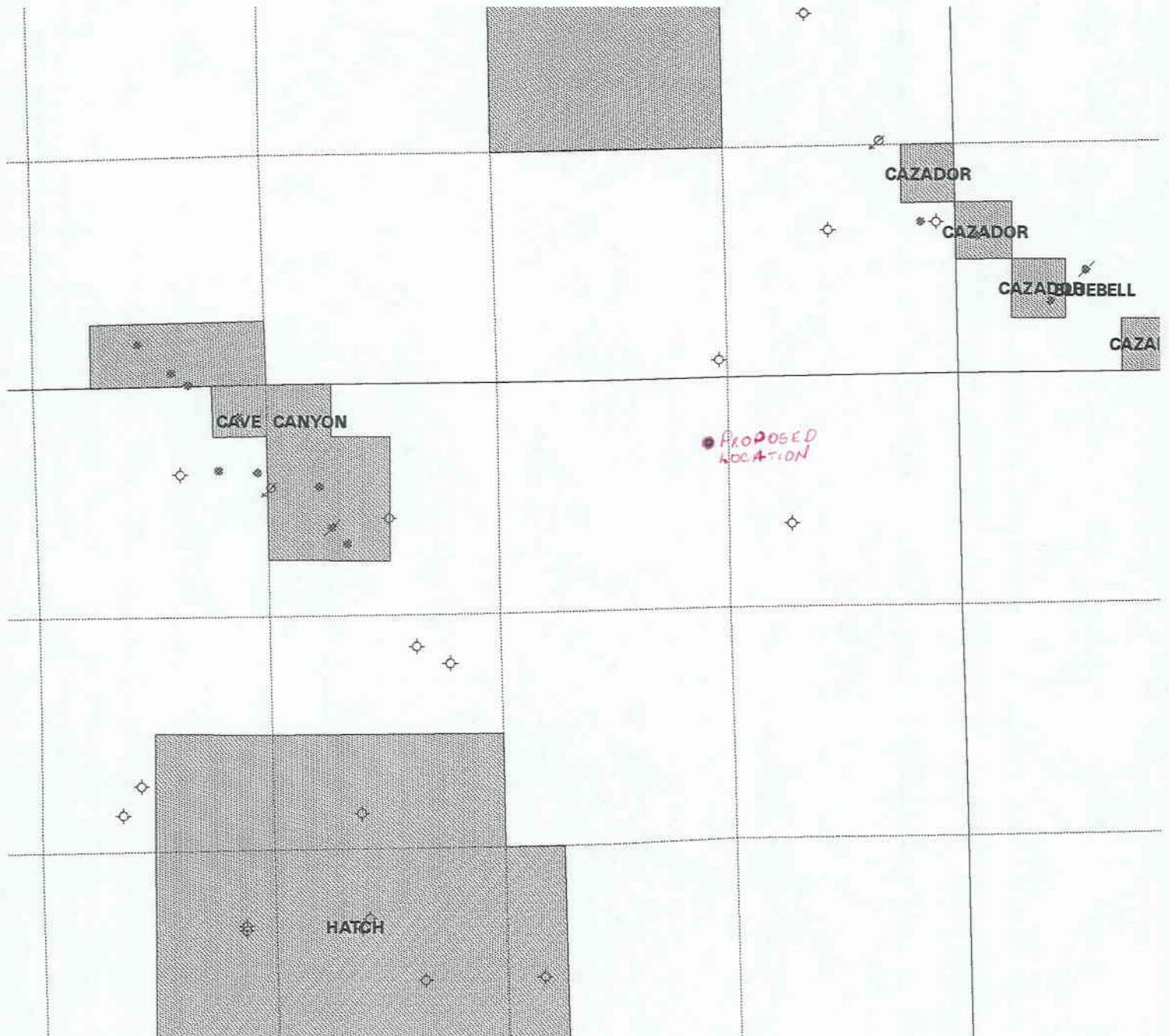
The above is true and correct to my knowledge and belief.



SECTION 2 TOWNSHIP 38S RANGE 24E COUNTY San Juan STATE UTAH
SCALE= 1"=1000'



REA SPRINGBANK #1
SEC. 2 T38S R24E
SAN JUAN, COUNTY



STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: STATE OF UTAH

LEASE NUMBER: ML-36200

and hereby designates

NAME: PETRAL EXPLORATION, LIMITED LIABILITY COMPANY

ADDRESS: 1700 Lincoln, Suite #5000, Denver, Colorado 80208

as his agent ☐/operator ☒, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable, and identify each applicable oil and gas well by name and API number. Attach additional pages as needed.)

TOWNSHIP 38 SOUTH, RANGE 24 EAST:

Section 2: All

San Juan County, Utah

Being 645.68 acres, more or less

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

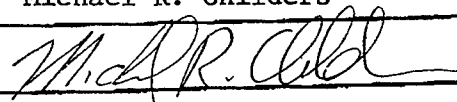
In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: June 17, 1994

BY: (Name) Michael R. Childers

(Signature)



(Title)

Vice President

(Phone)

817-695-4900

OF: (Company) SUNFIELD ENERGY COMPANY

(Address)

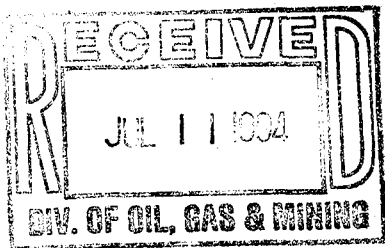
2505 N. Highway 360, Ste #800

Grand Prairie, Texas 75050

From the Desk of

STAN McINROY

Frank, *As* I mentioned on the phone, this is really very simple. Petral has lease on the 40 acres due north of the requested exception location. This is the 40 acres that is less than 460' from the exception location.



McILNAY

McILNAY & ASSOCIATES, INC.

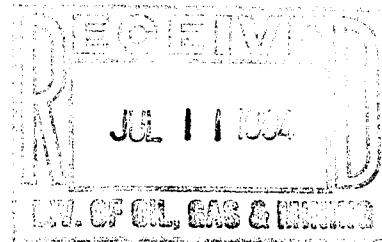
2305 OXFORD LANE • CASPER, WY 82604 • (307) 265-4351 • FAX (307) 473-1218

PETROLEUM CONSULTING ENGINEERS & PROPERTY MANAGEMENT

REGISTERED PROFESSIONAL ENGINEERS

July 7, 1994

Mr. Frank Matthews
Petroleum Engineer
Utah Board of Oil, Gas and Mining
3 Triad Center, Ste. 350
355 W. North Temple
Salt Lake City, UT 84180-1203



Re: Application for Exception to R649-3-2 for the Drilling of Petral Exploration LLC,
#1 REA-Springbank, NE SE NE Section 2-T38S-R24E, San Juan Co., UT

Dear Sir:

On behalf of our client, Petral Exploration, we hereby request an exception to the State of Utah Oil & Gas Conservation Rule 649-3-2 to drill well #1 REA-Springbank.

The Oil and Gas Conservation Act, 40-6-1 Et. Seq. Utah Code Annotated 1953 (As Amended 1993), Paragraph R649-3-2, Location And Siting Of Wells, states that in the absence of special orders to the contrary, each oil and gas well shall be located in the center of a 40 acre quarter-quarter section with a tolerance of 200' in any direction from the center location, a "window" 400 feet square.

The location requested for this well does not meet those qualifications, and therefore an exception to R649-3-2 is required. Paragraph R649-3-3 allows for the exception requested to be granted administratively if certain information is provided with the Form 3.

The following information is provided in support of the requested exception:

- 1.1 Petral Exploration respectfully requests that under the provisions of R649-3-3, an exception to R649-3-2 be granted and a permit issued to drill a 5925' exploratory well in the NE SE NE, more specifically 1388' FNL and 466' FEL, of Section 2-T38S-R24E, San Juan Co., Utah.
- 1.2 There are no other owners within a 460' radius of the proposed well location. Petral Exploration is the "owner" of the entire Section 2-T38S-R24E (State of Utah ML-36200). This includes the north offset 40 acre quarter-quarter section which is less than 460' from the proposed well location.

3. The exception is necessary because the exploratory target is an Upper Ismay Ivanovia algal mound whose dimensions and geographic position (based on geophysical data and well control) are such that wells drilled 660' or 1980' from the north line of Section 2 would not penetrate maximum buildup of mound facies and would probably be marginal producers or dry holes. The 466' distance from the east line of the section is a "legal" setback and does not appear to be an issue in the exception request.

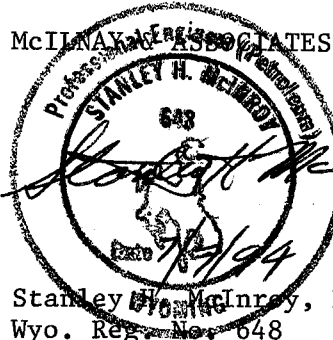
The following notes accompany the attached plat:

- 3.1 Locations at which an oil or gas well could be drilled in compliance with R649-3-2 are labeled "LL" for "legal location".
- 3.2 The requested exception location is labeled "REL".
- 3.3 Legal direct and diagonal offsets to the requested location are labeled "LOL". The outer circle around the requested location has a radius of 920'.
- 3.4 There are no other owners within a 460' radius of the requested location.

If administrative approval for this exception location cannot be granted, it is requested that the application be set for the next available hearing before the Utah Board of Oil, Gas and Mining.

Very truly yours,

McILNAY & ASSOCIATES, INC.



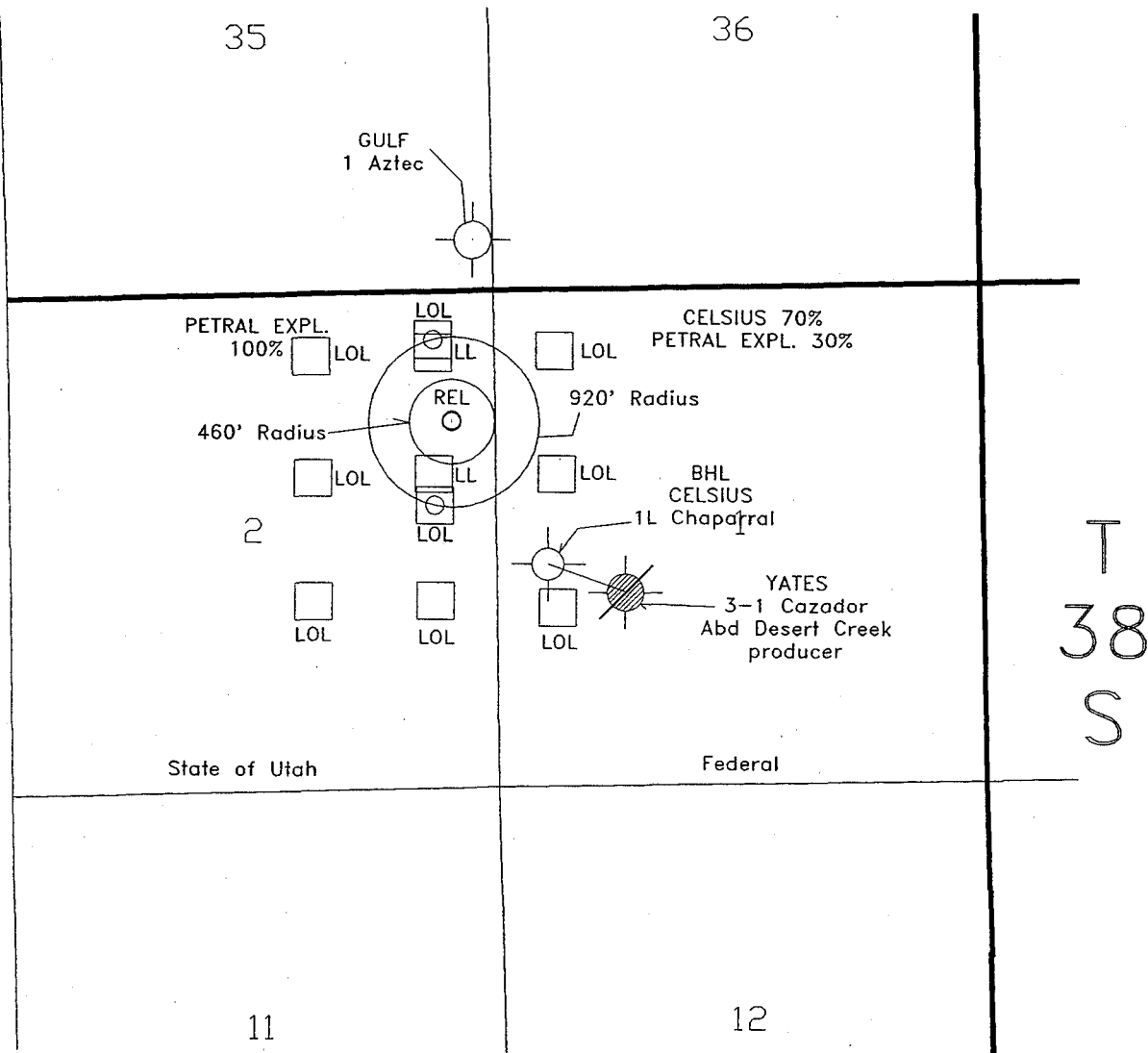
Stanley H. McInroy, P.E.
Wyo. Reg. No. 648

SHMc/so

cc: Petral Exploration LLC
Rose Exploration Associates

Attachments

R24E



LEGEND

REL = Requested Exception Location per R649-3-3
 LL = Legal Location Per R649-3-2
 LOL = Legal Offset Location per R649-3-2

SCALE
 1" = 2000'

rose
exploration
associates

1200 Denver Club Building - 518 17th St. - Denver, Colorado 80202 - (303) 595-0664

PLAT FOR EXCEPTION LOCATION APPLICATION

PETRAL EXPLORATION #1 REA-Springbank

1388 FNL & 466 FEL Sec 2 T38S R24E San Juan County, UT

Geologist:	MEW	Date Created:	06/27/1994 Modified:	07/07/1994
Geophysicist:		State:	Utah	
Engineer:		County:	San Juan	
Drawn By:	MEW	Geological Play:	Upper Ismay	
Contour Interval:		File:	V:\PB\SPGBANK\SB.PRMT	

Drilling Prognosis

July 7, 1994

Operator: Petral Exploration LLC
Well: #1 REA-Springbank
Location: NE SE NE (1388' FNL & 466' FEL)
Section 2-T38S-R24E
San Juan Co., UT
Elevation: 5217' GL 5228' KB (Est.)

Potential Problems:

1. Possible water flow 750' to 1665'.
2. Lost circulation and seepage surface to T.D. Possible differential sticking.
3. Desert Creek Carbonate reservoir maximum anticipated pressure 3450'.
4. No H₂S anticipated in any formations penetrated.

Estimated Formation Tops:

<u>Formation</u>	<u>Depth-Ft.</u>	<u>Remarks</u>
Entrada	640'	
Navajo	855'	Possible water flow
Wingate	1350'	Possible water flow
Chinle	1665'	
Shinarump	2390'	
Cutler	2535'	
Honaker Trail	4420'	Possible Show
La Sal	5215'	Possible Show
Upper Ismay	5500'	
Upper Ismay Mound	5515'	Pay Zone (Core & DST)
Hovenweep Shale	5690'	
Lower Ismay	5730'	
Lower Ismay Anhydrite	5750'	
Lower Ismay Carbonate	5760'	
Gothic Shale	5770'	
Upper Desert Creek	5790'	
Upper Desert Creek Anhydrite	5805'	
Lower Desert Creek	5820'	
Lower Desert Creek Anhydrite	5835'	
Lower Desert Creek Carbonate	5840'	Possibly over pressured (DST)
Chimney Rock Shale	5860'	
Akah	5895'	
T.D.	5925'	
Salt	5930'	Do not penetrate

Estimated Days to Drill and Evaluate
16 days

PROGRAM

Hole Size:

0 - 80' - 15"
80 - 1765' - 12 1/4"
1765 - T.D. - 7 7/8"

Casing Program

Conductor

80' - 13 3/8", 48 or 54.5#/ft. (or equivalent). Responsibility of drilling contractor.

Surface Casing

Net	Gross	
1765'	1780'	8 5/8", 24#/ft., J or K-55, ST&C, new

Notes

- (1) Surface casing to be set 100' into Chinle.
- (2) Epoxy and spot weld bottom 3 Jts. together.

Production Casing

Net	Gross	
5925'	5975'	5 1/2", 15.5#/ft., K-55, ST&C, new

Casing Accessory Equipment

Surface Casing

- 1 - 8 5/8" Guide Shoe
- 1 - 8 5/8" Insert Float installed 1st joint above shoe.
- 1 - 8 5/8" Centralizer placed middle of shoe joint.
- 1 - 8 5/8" Centralizer on 2nd collar above shoe.
- 3 - 8 5/8" Centralizer thereafter on every 4th collar for additional 3 centralizers.
- 3 - 8 5/8" Centralizer thereafter on every 6th collar for additional 3 centralizers.
- 1 - 8 5/8" Centralizer placed 3rd collar from surface.
- 9 Total centralizers

Production Casing

- 1 - 5 1/2" Guide Shoe
- 1 - 5 1/2" Differential Float Collar placed in 2nd collar above shoe.
- 1 - 5 1/2" Centralizer installed middle of shoe joint.
- 1 - 5 1/2" Centralizer installed 2nd collar above shoe.
- 9 - 5 1/2" Centralizer installed thereafter every 2nd collar for additional 9 centralizers.
- 6 - 5 1/2" Centralizer installed thereafter every 5th collar for additional 6 centralizers.
- 17- Total centralizers

Note:

Centralization program may require modification as per number of pay zones, wellbore conditions, etc.

Cementing Program

Conductor

Cement to surface. (responsibility of contractor)

Surface Casing (100% Excess Cement)

Lead Slurry

660 sks. Halliburton Light Cement w/2% CaCl & 0.25#/sk. Flocele (1.89 cf/sk, 12.74#/gal).

Tail In Slurry

220 sks. Class "G" (std. cement) w/2% CaCl.

Top Outside Slurry (Put in place w/1" from surface):

100 sks. Class "G" (Std. Cement) w/2% CaCl.

Production Casing - Tentative

Precede with 20 Bbls. Mud Flush and 10 BW spacer followed by 280 sks. Premium Cement w/0.25#/sk. Flocele and 0.6% Halad-322 (fluid loss).

Notes: Slurry volumes to be recalculated as per Caliper log results. Achieve minimum of 800' fillup above potential pay zone(s). Cement slurry based on Halliburton nomenclature. Equivalent slurry may be substituted (i.e. Dowell, etc.).

Check all makeup water used for cementing.

Logging Program

GR-DLL-MSFL (min.) - Base surface casing to T.D.
*GR-BHCS (integrated) - Base surface casing to T.D.
*GR-FDC-CNL - Base surface casing to T.D.
HDT (6 arm) - 5200' to T.D.

* with Caliper log.

Cores:

Two (2) 60' full gauge cores of Upper Ismay Mound (= 5515').
Coring point(s) to be picked by well site geologist. Conventional core analysis. Samples to be analyzed to be picked by well site geologist.

DST's

Need for DST's will be based on shows, logs, hole conditions, etc. All testing will only be conducted during daylight hours. If hydrocarbons are detected at surface (includes while pulling tests) drill pipe and drill collars will be reversed into a tank. Obtain accurate measurements and grind outs of fluid recovered. Potential zones for DST's are:

Upper Ismay (possibly 2)
Lower Desert Creek

Samples (3 separate cuts required):

1765 to 2400' - 30' intervals
2400 to T.D. - 10' intervals

All cuttings to be washed and sacked in properly marked cloth bags. Tie samples in 100' depth groups to dry. Store in clean dry place. Sample depth intervals may be changed at discretion of well site geologist.

Mud Logging Unit:

Manned (24 Hrs.) unit from 4000' to T.D.

Mud Program:

Interval	Wt. #/gal	Vis. qt/sec.	WL cc	Ph	YP	Remarks
0 - 1765'	8.4-8.9	30-45	NC	--	--	Gel/Lime
1765 - 4400'	8.4-9.0	27-32	NC	--	--	FW/SDF-1500 sweeps
4400 - T.D.	8.6-11	34-48	7-10	8.5-9.5	8-12	LSNP

Notes:

- (1) Circulate reserve pit.
- (2) Keep solids as low as possible with rig solid control equipment.
- (3) Raise mud weight as pressure dictates (Lower Desert Creek).
- (4) Treat Lower Ismay Anhydrite with soda ash and maintain Ph at 8.5 to 9.5.
- (5) On bit changes, after mud up, sweep hole with mica (15 ppb) pills (i.e. 50 Bbl. pills) for minimizing seepage.
- (6) Sufficient LCM and weighting material (barite) to be stored at wellsite for lost circulation and weighting up mud.

Deviation Specifications:

Single shot directional surveys will be run as follows:

Interval	Max. Dev.	Maximum Rate of change °/100'	Frequency of Surveys
0 - 1765'	2°	1½°	One per 90' for first 500', then 1 per 120' interval.
1765 - 2400'	3°	1½°	One per 120' interval.
2400 - T.D.	5°	1½°	As required for control w/min. of one every 500' and on every bit change. May be modified at discretion of Petral's well site representative (McIlroy & Associates, Inc.).

Record and report depth, measured deviation and magnetic and true bearings.
May utilize separate (rental) wireline unit rather than rig unit.

Stabilization

None anticipated

SLM of Drill Pipe

1765'
Prior to 4000'
T.D.

SLM of drill pipe prior to coring, DST's, logging and running casing. SLM
every bit change below 1765'.

Drill Pipe Protectors

None

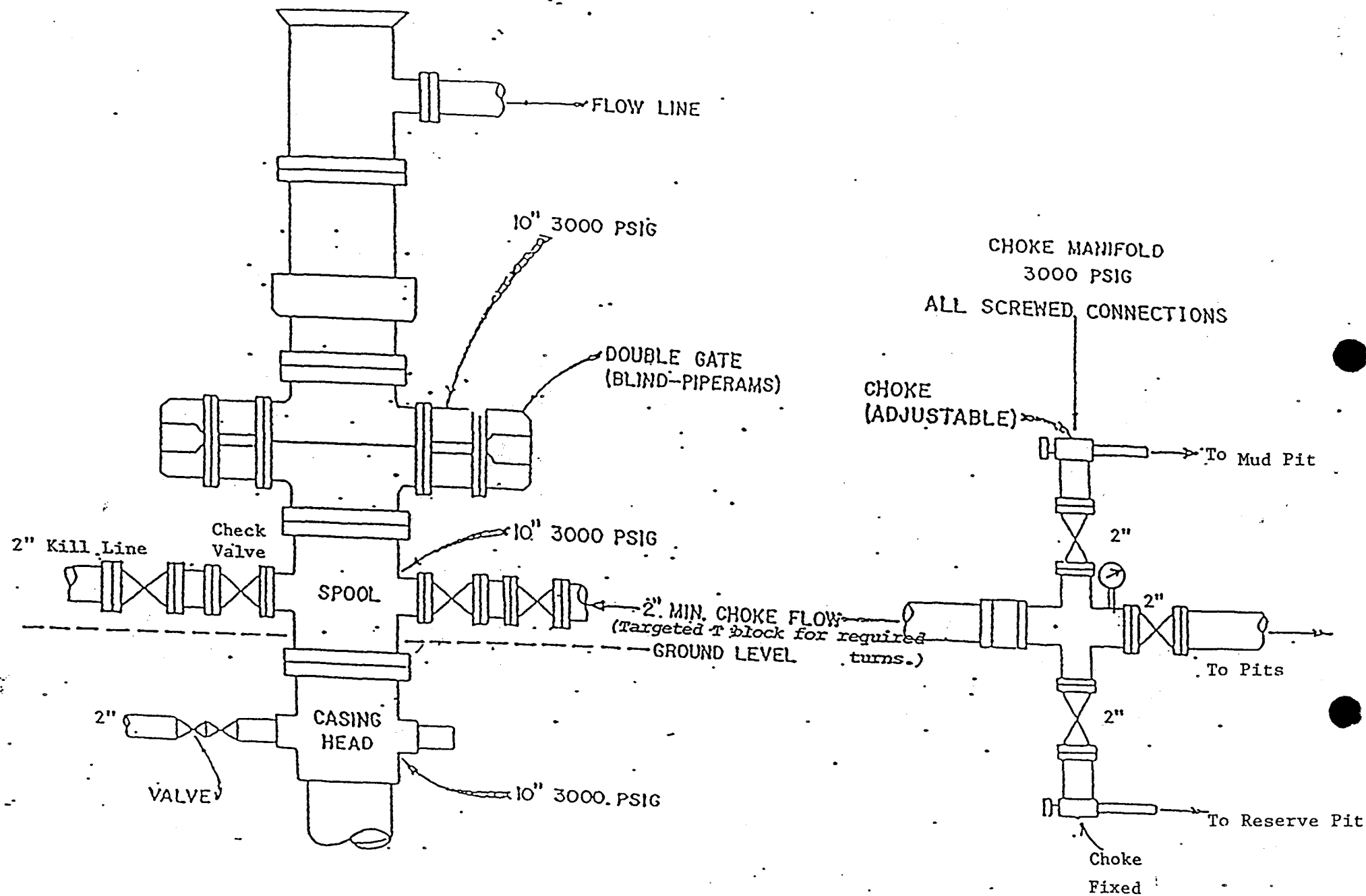
Minimum BOP and Accessory Equipment

1. One 10" 3000 psig double ram blowout preventor with a blind ram and one 4½" pipe ram (above blind rams) will be installed and utilized prior to drilling below 8 5/8" surface casing.
2. Blowout preventor will be equipped with two 2" side outlets.
3. A 2" 3000 psig choke manifold with one (1) adjustable choke and one (1) fixed choke will be installed prior to drilling below surface casing. The choke line (the line which connects the BOP stack to the choke manifold) will be as straight as possible and turns, if required, will have targeted T blocks.
4. An accumulator rated at 3000 psig W.P. with a minimum of two (2) hydraulic control stations will be utilized; one for blind rams and one for pipe rams. Remote controls will be located in the accumulator house at G.L. Manual controls (i.e. hand wheels) will be located at G.L. under the substructure. A valve will be installed in the hydraulic closing line to serve as a locking device when the accumulator system is inoperative.
5. Pressure testing procedures and requirements:
Prior to drilling out below 8 5/8" surface casing, surface casing will be tested to 2065 psig (70% of minimum internal yield of 8 5/8", 24 #/ft, K-55 surface casing) for a minimum of 15 minutes. BOP stack and associated equipment (i.e. choke manifold, kelly cock, valves etc.) will be tested to 3000 psig for 15 min. utilizing a test plug. Certified BOP testing service company will be utilized for pressure testing. All pressure testing operations must be witnessed by Petral's well site representative (McIlnay & Associates, Inc.).
6. Drilling Contractor will perform a daily operational check of all BOP equipment (i.e. includes associated equipment). Pipe and blind rams shall be activated each trip.
7. All BOP pressure testing and operational checks will be recorded in the daily "tour" report book.
8. A BOP and pit level drill will be conducted by the drilling contractor weekly and noted in the "tour" report book.
9. Twenty-four hours prior to pressure testing notify the Utah Division of Oil, Gas & Mining, Salt Lake City, UT, (801) 538-5340.

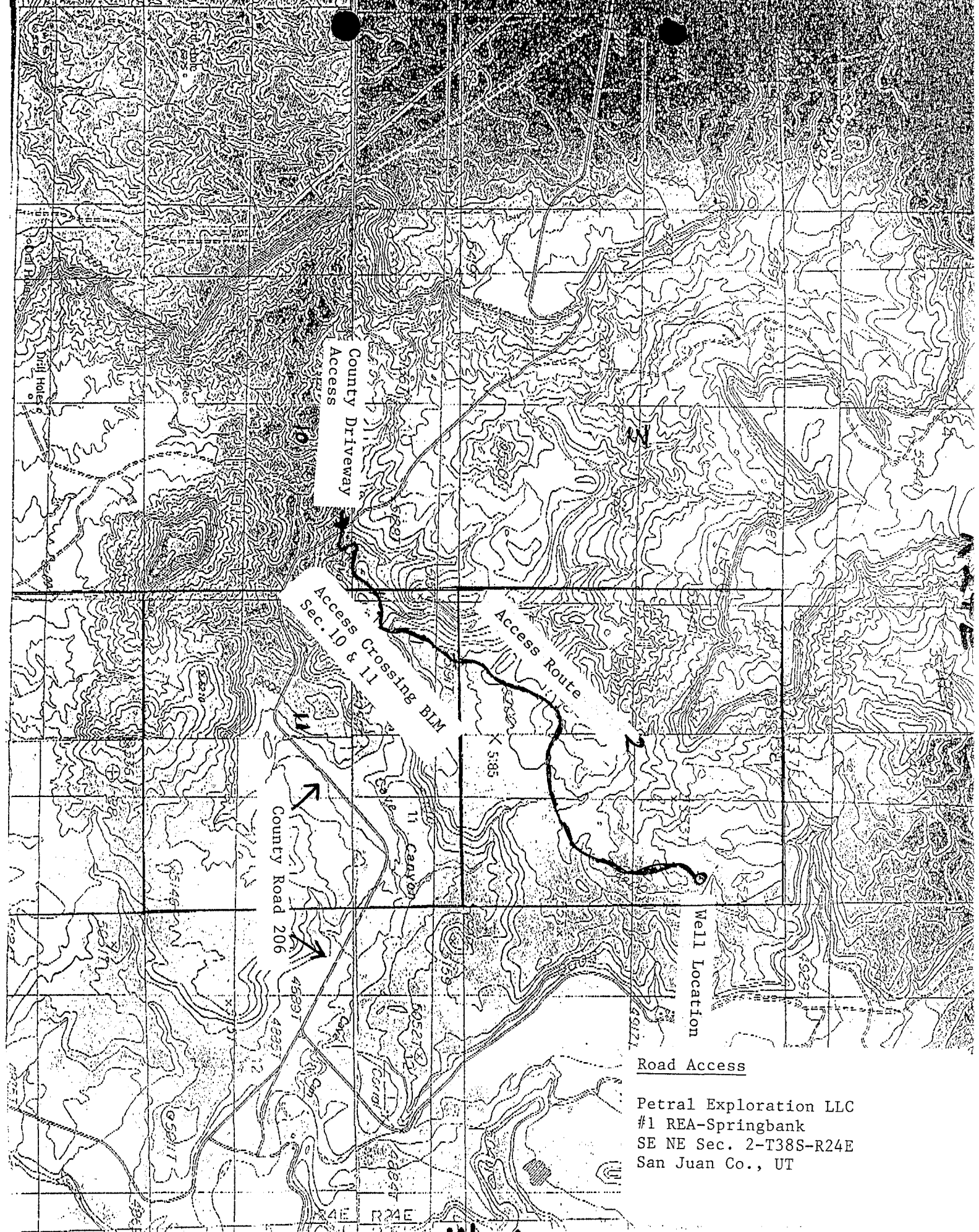
Every 30 days BOP and accessory equipment must be pressure tested to 2065 psig. Notify the Utah Division of Oil, Gas & Mining 24 hours prior to test.

Drilling Records

1. Maintain 1' drilling time with Geolograph or equivalent.
2. Hook weight and pump pressure to be continuously recorded (minimum requirement).
3. Daily tour reports to be completed each tour.
Record all pertinent information (i.e., mud checks, trips, BOP tests, repairs, down time, stuck drill pipe, fishing jobs, DST's, etc.).



Proposed Pressure Control Equipment.



County Drive
Access

Access Crossing BLM
Sec. 10 & 11

Access Route

County Road 206

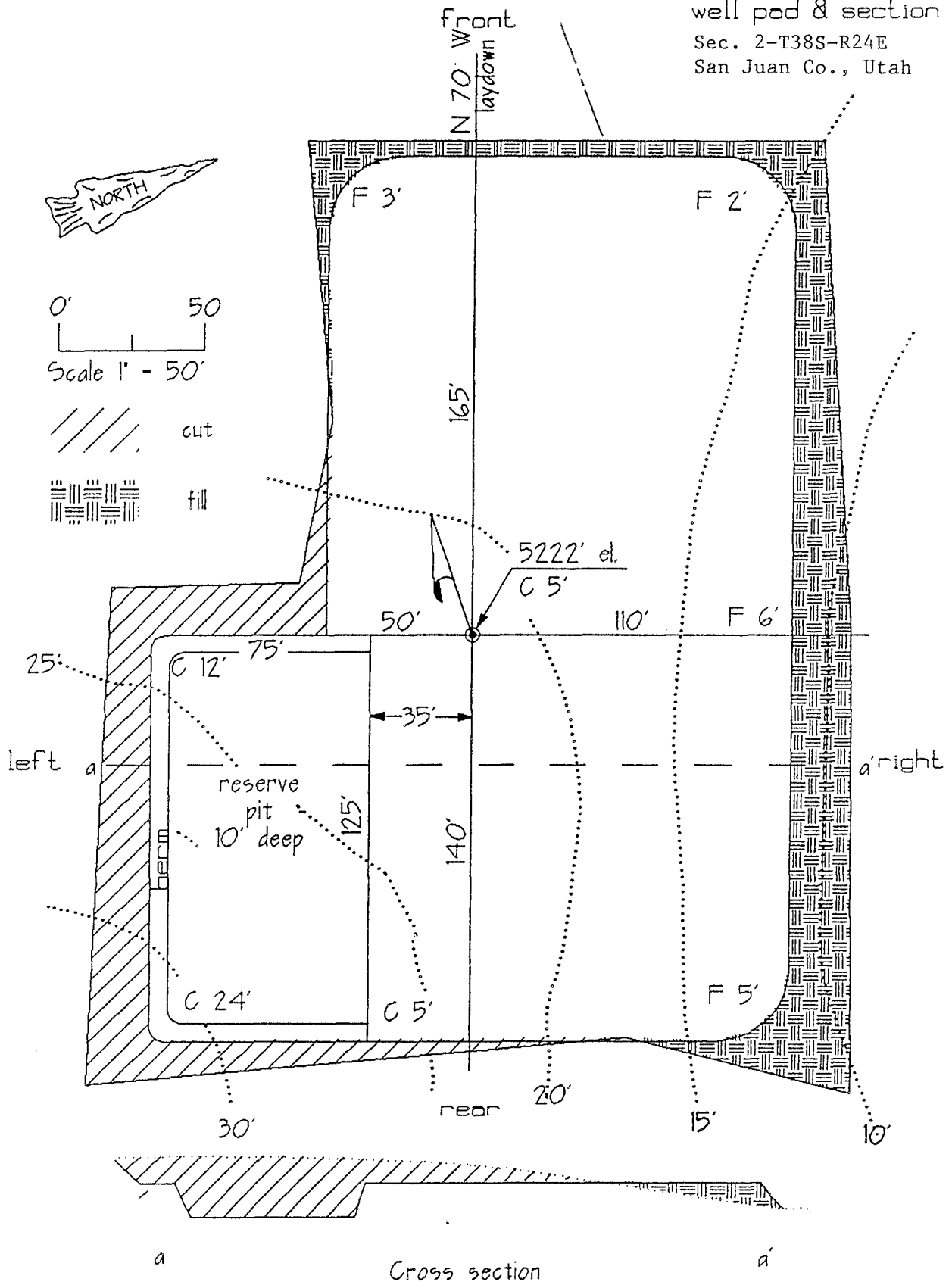
Well Location

Road Access

Petral Exploration LLC
#1 REA-Springbank
SE NE Sec. 2-T38S-R24E
San Juan Co., UT

T38S
R24E

1 REA Springbank
well pad & section
Sec. 2-T38S-R24E
San Juan Co., Utah



McILNAY

McILNAY & ASSOCIATES, INC.

2305 OXFORD LANE • CASPER, WY 82604 • (307) 265-4351 • FAX (307) 473-1218

PETROLEUM CONSULTING ENGINEERS & PROPERTY MANAGEMENT

REGISTERED PROFESSIONAL ENGINEERS

July 8, 1994

San Juan County Road Department
P. O. Box 188
835 East Highway 668
Monticello, Utah 84535

Re: Application for Right-of-Way Encroachment Permit for an
Access Driveway to the Planned Access Route to
Petal #1 REA-Springbank, Sec. 2-T38S-R24E, San Juan Co., UT

Dear Sir or Madam:

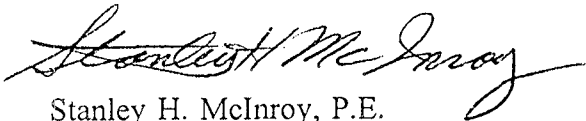
On behalf of our client, Petral Exploration LLC, enclosed is our application for the subject Encroachment Permit.

All that is needed is the access driveway at the junction of San Juan County Road 206 and the planned access route, located as shown on the attached map.

Also enclosed is our check for five dollars (\$5.00). Please advise if additional information is required.

Very truly yours,

McILNAY & ASSOCIATES, INC.



Stanley H. McInroy, P.E.

SHMc/so

Enclosures

cc: Petral Exploration LLC
Rose Exploration Associates



SAN JUAN COUNTY ROAD DEPARTMENT

Application for Right-of-Way Encroachment Permit

DATE: July 8, 1994TO: Road Supervisor
San Juan County Road DepartmentApplication is hereby made by: (1) Petral Exploration LLC

c/o McIlnay & Associates

Address (2) 2305 Oxford Lane, Casper, WY 82604Telephone Number: (307) 265-4351 for permission to do the following:

(3)

Construct an access driveway from unpaved county road 206 toplanned access road to location for well #1 REA-Springbank,NE SE NE Sec. 2-T38S-R24E, San Juan Co., UT

(4) Location:

SE NE Sec. 10-T38S-R24E, San Juan Co., UTCity Blanding (Closest) County San Juan State UTor U. S. Highway No. NA Milepost No. NA

In accordance with the attached plan. (5)

(6) Construction will begin on or about August 15 1994and will be completed on or before September 9 1994

If the proposed installation requires breaking of the pavement, give the following information:

a. Type of pavement: NAb. The opening to be made will be _____ feet long
by _____ feet wide and _____ feet deep.

c. A bond in the amount of \$ _____ has been posted with

Telephone No. _____

to run of a term of three (3) years after completion of work to guarantee satisfactory performance.

(7) If this permit is granted, we agree to comply with all conditions, restriction, and regulations as contained in the "Regulations for the Control and Protection of State Highway Rights-of-Way", approved by the Utah State Road Commission on October 8, 1962, and all revisions thereto or Regulations adopted by the San Juan County Commission.

(8) In approving this application and locations of utilities, and effort will be made to approve only locations that will not be effected in the event that San Juan County changes the roadway. But, in situations in which the utility has to be moved, this moving shall be done by the utility company or paid for by the company.

(9) For any and all applications requesting authority to Vibroseise, applicants shall:

- Provide map showing where vibroseising will take place.
- Agree to repair any damages or replace any property damaged.
- Take full responsibility or proper flagging and traffic control.

d. Agree that all existing work done in the area of dirt roads shall be done on the dirt road rather than in the bar ditch to minimize damage.

e. Provide a schedule of the planned work and estimated dates of completion.

f. Attach written permission form all adjacent fee-title owners.

g. The San Juan County Commission has authorized the San Juan County Road Superintendent (or his Assignees) to issue permits.

(10) San Juan County can only grant permission to the extent that the County has the authority to do so and the permission granted hereunder is limited to the interest of authority actually owned by San Juan County and no warranties of ownership or authority to grant permission is expressed or implied by the granting of this permit.

\$5.00 application fee attached.

BY: Stanley H. McIlroy

Representative for Petral Exploration LLC
TITLE
McIlroy & Associates, Inc.
Consulting Engineers

To be filled in by Road Supervisor.

(1) Permit should be granted _____

Permit should not be granted _____

(2) Additional requirements which should be imposed.

ROAD _____
"Engineer"

INSTRUCTIONS

(1) Application for this permit should be made in duplicate by whoever will actually do the work whether it be the owner or a contractor.

(2) Mailing address of applicant.

(3) State fully and completely the type or installation, type of construction, width, thickness, drainage data, etc., where applicable. If pole line, give the following information: number of poles, total length of line, type of wire, character of service, vertical clearance over roadway, and voltage of power line.

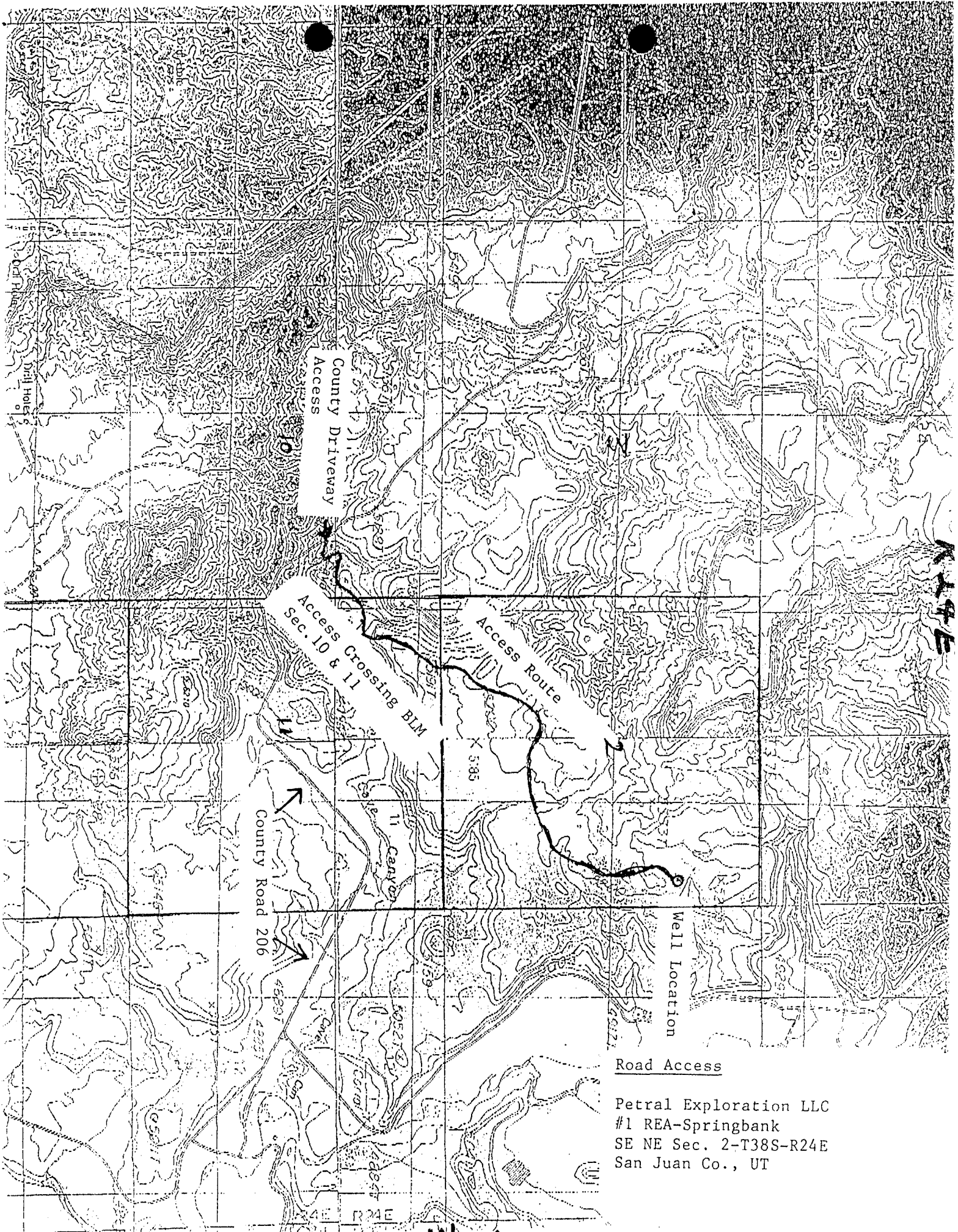
(4) If pipe line or buried cable, give the following information: Type of service, size and length of line, depth of trench, kind of pipe, (sewer, gas, oil, water supply, etc.) or conduit, and if pipe is to be driven or if pavement will be broken. All fluid lines requires encasement with suitable material. The size and length of encasement shall be satisfactory to the State Department of Transportation, San Juan County Road Supervisor or his agent.

(5) Give distance from some geographical point such as intersecting highways, city, or corporate limits. Give city, county, and state or U. S. route number.

(6) Attach two (2) copies of a plan showing proposed location of structures with reference to pavement and right-of-way lines. If installation crosses the highway, show cross section of present roadway and proposed installation.

(7) Give anticipated dates for beginning and for completion of proposed installation.

Notes: A fee of five (5) dollars will be charged for all Right-of-Way Encroachments Permits, except those obtained for pole lines, and buried cable lines. This permit fee, where applicable, should be submitted with the application. The costs of inspection are included in the Right-of-Way Encroachment Permit fee, except for pole lines, pipe lines, and buried cable lines which shall be billed for the inspection.



Road Access

Petral Exploration LLC
#1 REA-Springbank
SE NE Sec. 2-T38S-R24E
San Juan Co., UT

Water Use Approval
(Division of Water Rights)

Petral #1 REA-Springbank

Approval is pending. Application for Temporary Change of Water on the permit No. 09169-6249 belonging to Mr. H. C. Perkins. The source well flows 60 gal/min. Upon approval by the State the permit will be forwarded to the Utah Division of Oil, Gas and Mining.

Archaeological Survey

**Petral Exploration LLC
#1 REA-Springbank**

An archaeological survey of the well pad and of the planned access route has been completed by 4-Corners Archeological Services (copy attached). The planned route has been changed and an archeological survey of it has been obtained. No cultural resources were found on the pad or on the planned access route. Copies of the survey report have been forwarded by the archeologist to the State and to the BLM. The BLM will forward their approval of the survey results to the Utah Division of Oil, Gas and Mining,

ROSE
exploration
associates

518 17th street - suite 1200 - denver, colorado 80202 - (303) 595-0455

Mr. David Krauskop
United States Department of Interior
Bureau of Land Management
San Juan Resource Area
P.O. Box 7
Monticello, Utah 84535

June 24, 1994

Re: Archaeological Survey 4-CAS REPORT 9414
Relating To
PETRAL EXPLORATION #1 REA-Springbank
Section 2 T38S R24E, San Juan County, UT

Dear Mr. Krauskop:

Rose Exploration Associates recently submitted an "Application For Transportation and Utility Systems and Facilities on Federal Lands" relating to the above captioned exploratory well.

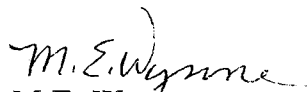
In reviewing the archaeologic report for the access road and drill pad, it was noticed that while the location of the road and drill pad were correct, the well name is incorrect. The report refers to the well as "PETRAL EXPLORATION 2-A Chaparral". Per our telephone conversation earlier today, this letter is being writing to correct the well name. The proper name of the well is "PETRAL EXPLORATION #1 REA-Springbank". I also talked to Carol DeFrancia (the archaeologist) about the matter. She concurred with the letter concept and requested a copy of same.

This letter should remove any confusion regarding the well name.

Thank you for your cooperation in this matter.

Sincerely,

ROSE EXPLORATION ASSOCIATES


M.E. Wynne

cc: Dale Davidson - BLM
Carol DeFrancia 4 Corners Archaeology
Dianne Shroyer - Petral
Ed McIlnay - McIlnay & Associates

ARCHAEOLOGICAL SURVEY OF
PETRAL EXPLORATION COMPANY'S
CHAPARRAL 2-A WELL PAD & ACCESS ROUTE
SAN JUAN COUNTY, UTAH

4-CAS REPORT 9414

by
Carol S. DeFrancia

4-CORNERS ARCHAEOLOGICAL SERVICES
14540 CR 21
Cortez, Colorado 81321
(303) 565-7450

June 10, 1994

FEDERAL ANTIQUITIES PERMIT 93UT62712
Utah State Permit No. U-93-FE-700 b, s

Prepared For:
Petal Exploration
1700 Lincoln, Suite 5000
Denver, CO 80203

TABLE OF CONTENTS

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ABSTRACT

The archaeological survey of Petral Exploration Company's Chaparral 2-A well pad, and 1.8 miles of access route, was conducted by personnel of 4-Corners Archaeological Services between June 7 and June 8, 1994. The project is located along a mesa bench above Montezuma Creek in San Juan County, Utah, approximately ten to twelve miles southeast of the town of Blanding. A total of 43.7 acres were inventoried for cultural resources on state land and land administered by the Bureau of Land Management, San Juan Resource Area.

No cultural resources were found in the project area. Archaeological clearance is recommended.

INTRODUCTION

The archaeological survey of Petral Exploration Company's Chaparral 2-A well pad and access route was conducted by Carol DeFrancia of 4-Corners Archaeological Services between June 7, and June 8, 1994. The project is located on state owned lands and land administered by the Bureau of Land Management, San Juan Resource Area. The survey was requested by Mr. Jim Jackson, permit agent for Petral Exploration. Huddleston Surveying personnel staked and flagged the well pad and access route prior to the survey. The surveyed access route extends 400' southwest of the proposed well pad to an existing two-track dirt road. The road extends north crossing state owned land and into BLM administered lands (T37S, R24E, section 35), following the mesa bench, then extends west across the top of a southeast-trending finger ridge. The two-track road intersects with an existing improved well service road and continues downslope and southwest to the bottom of Cave Canyon. Because the existing road is already established (previously constructed), it was not surveyed for cultural resources. A total of 43.7 acres were inventoried for cultural resources (Figure 1).

Federal and state governments have enacted legislation that is designed to conserve and protect cultural resources. The principal federal legislation includes the Antiquities Act of 1906 (PL 52-209), the National Historic Preservation Act of 1966 (PL 89-665), the National Environmental Policy Act of 1969 (PL 91-190), the 1971 Executive Order No. 11593, the Archeological and Historical Conservation Act of 1974 (PL 93-291), and the Archaeological Resource Protection Act (ARPA) of 1979 (PL 95-96).

No cultural resources were found during the survey. Archaeological clearance for the project is recommended.

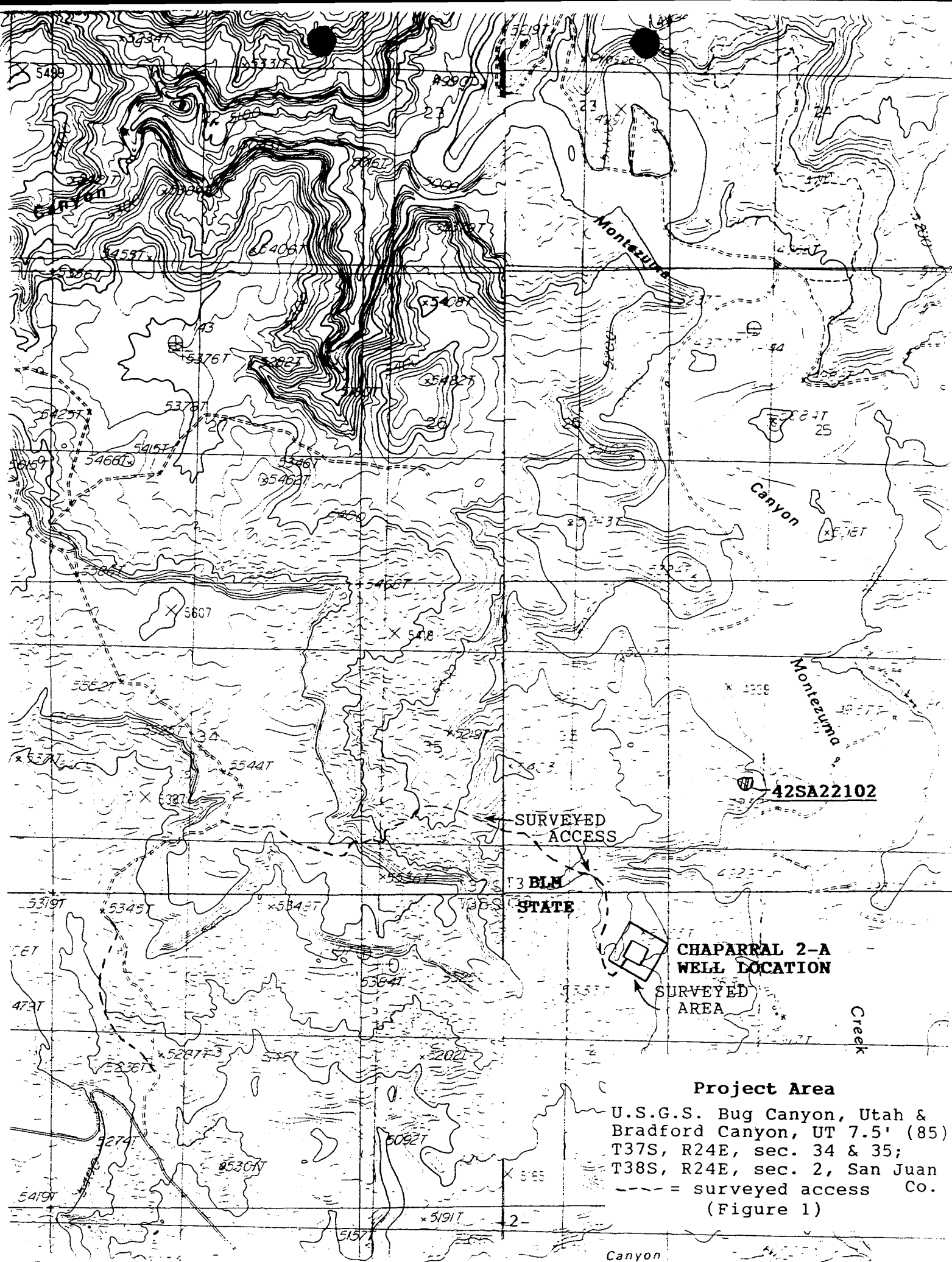
PROJECT AREA

Map Reference: Bug Canyon and Bradford Canyon, Utah 1985 (7.5' series)

Total Project Area: 14.8 acres; area surveyed 43.7 acres

Chaparral 2-A well pad

Legal Description: T38S, R24E: SE, NE, NE Section 2



Center Stake: 1096' FNL, 590' FEL; T38S, R24E, Section 2

UTM Coordinates: (Surveyed Area)		Easting	Northing
	NW Corner	655320	4153600
	NE Corner	655520	4153500
	SE Corner	655410	4153310
	SW Corner	655220	4153420

Project Area: Well Pad 210 x 305'; (1.4 acres)

Surveyed Area: 660 x 660' (10 acres)

Results: No cultural resources found.

Access Route (2-track road)

Legal Description: T38S, R24E: NW, SE, NE of section 2
T37S, R24E: SW, SE of section 35
SW 1/4 of section 34

UTM Coordinates:		Easting	Northing
	NE End	655340	4153440
	bend	655320	4153310
	bend	655190	4153760 (section line)
	bend	655000	4153900
	bend	654680	4154100
	bend	654280	4154200
	bend	654000	4154020
	bend	653810	4153930
	bend	653440	4154080
	West End	653170	4154100 (road tie)

Project Area: 9800' long, maximum 60' wide (13.4 acres)

Surveyed Area: 9800' x 150' (33.7 acres)

Results: No cultural resources found.

PHYSIOGRAPHY AND ENVIRONMENT

The project area is located along an east facing mesa bench above Montezuma Creek, in San Juan County, Utah, approximately ten to twelve miles southeast of the town of Blanding. The area lies in the Colorado Plateau physiographic province and is a structural element of the Blanding Basin (Stokes 1977). The proposed well pad occupies an area that is relatively flat and flanked on the east side by a steep tributary drainage of Montezuma Creek. The access route extends southwest along a low ridgeline to an existing two-track dirt road. Terrain in the area is generally flat to gently undulating hills and ridges with aeolian and washed alluvial and colluvial sediments across the face of the mesa bench. Large blocks of dark 'desert varnished' sandstone are scattered throughout the area.

Throughout the Blanding Basin are numerous sources of lithic materials for tool manufacture, outcrops of clay and iron minerals for ceramic construction and decoration, and an abundance of sandstone for construction materials important to the areas prehistory.

Vegetation on the mesa bench is a sparse cold desert shrub association consisting of saltbush, shadscale, russian thistle, Indian ricegrass, and cheatgrass. Occasional juniper is also present.

Permanent water sources are available in numerous springs and seeps in the heads of Montezuma Canyon. Montezuma Creek, less than three-quarter miles east, holds water for several months throughout the late winter/spring season.

Reptilian, avian, and mammalian associations are consistent with those of the Upper Sonoran Life Zone throughout the Colorado Plateau.

PREVIOUS RESEARCH

A file search was conducted when the project was initially proposed by Sunfield Energy Company on November 23, 1993, at the BLM San Juan Resource Area Office in Monticello, and with the Utah State Historic Preservation Department in Salt Lake. The results of the review indicated that a small number of oil and gas related surveys have been conducted in the general vicinity between the early to mid 1980's, and during 1991. One extensive seismic program (4-CAS #9115) was conducted in close proximity to the project area and only one archaeological site (42SA22101) was documented over one-half mile to the east of the access, along the edge of the mesa bench.

EXAMINATION PROCEDURES

Prior to the field investigations the well pad and access route were staked and flagged. A 660 x 660' area surrounding the well center stake (10 acres) was inventoried by walking a series of parallel transects spaced 15m apart. Two parallel zig-zag transects were walked along the 1.8 miles of access route, covering a 150' wide corridor.

SURVEY RESULTS

No cultural resources were found in the project area.

CONCLUSION AND RECOMMENDATIONS

The archaeological survey of Petral Exploration Company's Chaparral 2-A well pad, and 1.8 miles of access route, was conducted by personnel of 4-Corners Archaeological Services between June 7 and June 8, 1994. The project is located on state owned lands (section 2) and lands administered by the Bureau of Land Management, San Juan Resource Area. The project is situated along a mesa bench above Montezuma Creek in San Juan County, Utah. A total of 43.7 acres were inventoried for cultural resources.

No archaeological sites were encountered during the project, archaeological clearance is recommended.

REFERENCES

DeFrancia, Carol S.

1991 Archaeological Survey of Century Geophysical's North
Patterson Seismograph Lines (91-NP-1 through 91-NP-14)
San Juan County, Utah. 4-CAS Report No. 9115, Cortez.

Stokes, William Lee

1987 Geology of Utah. Occasional Paper Number 6. Utah
Museum of Natural History, University of Utah, Salt Lake City.

BLM Right of Way Application

Petral #1 REA-Springbank

Application has been made to the BLM for an access route Right-of-Way.

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/11/94

API NO. ASSIGNED: 43-037-31746

WELL NAME: REA-SPRINGBANK 1
OPERATOR: PETRAL EXPLORATION LLC (N7700)

PROPOSED LOCATION:

SENE 02 - T38S - R24E
SURFACE: 1388-FNL-0466-FEL
BOTTOM: 1388-FNL-0466-FEL
SAN JUAN COUNTY
UNDESIGNATED FIELD (002)

LEASE TYPE: STA
LEASE NUMBER: ML-36200

PROPOSED PRODUCING FORMATION: ISMY

INSPECT LOCATION BY: 07/30/94

TECH REVIEW	Initials	Date
Engineering	JRM	7/28/94
Geology	TEL	7/13/94
Surface	DH	7/20/94

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Federal ☐ State ☒ Fee ☐
(Number 4028 10038)
☐ Potash (Y/N)
☐ Oil shale (Y/N)
☒ Water permit
(Number 09169-6249)
☐ RDCC Review (Y/N)
(Date: _____)

LOCATION AND SITING:

☐ R649-2-3. Unit: _____
☐ R649-3-2. General.
☒ R649-3-3. Exception.
☐ Drilling Unit.
Board Cause no: _____
Date: _____

COMMENTS: SEE ATTACHED PRE-SITE FORM FOR STIPULATIONS

STIPULATIONS:

1. Compliance with the requirements and stipulations
of the attached Drilling Location
Assessment Report dated July 20, 1994.

CONFIDENTIAL
PERIOD
EXPIRED
ON 10-10-95

STATE OF UTAH

Operator: PETRAL EXPLORATION LLC	Well Name: REA SPRINGBANK 1
Project ID: 43-037-31746	Location: SEC. 2 - T38S - R24E

Design Parameters:

Mud weight (8.90 ppg) : 0.462 psi/ft
 Shut in surface pressure : 1009 psi
 Internal gradient (burst) : 0.000 psi/ft
 Annular gradient (burst) : 0.000 psi/ft
 Tensile load is determined using air weight
 Service rating is "Sweet"

Design Factors:

Collapse : 1.125
 Burst : 1.00
 8 Round : 1.80 (J)
 Buttress : 1.60 (J)
 Other : 1.50 (J)
 Body Yield : 1.50 (B)

Length (feet)		Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost
1	1,765	8.625	24.00	K-55	ST&C	1,765	7.972	
	Collapse Load Strgth S.F. (psi) (psi)			Burst Load (psi)	Min Int Strgth (psi)	Yield S.F.	Tension Load Strgth S.F. (kips) (kips)	
1	816	1370	1.679	1009	2950	2.92	42.36	263 6.21 J

Prepared by : FRM, Salt Lake City, UT
 Date : 07-13-1994
 Remarks :

Minimum segment length for the 1,765 foot well is 1,000 feet.

Surface/Intermediate string:

Next string will set at 1,765 ft. with 11.00 ppg mud (pore pressure of 1,009 psi.) The frac gradient of 1.000 psi/ft at 1,765 feet results in an injection pressure of 1,765 psi Effective BHP (for burst) is 1,009 psi.

NOTE: The design factors used in this casing string design are as shown above. As a general guide-line, Lone Star Steel recommends using minimum design factors of 1.125 - Collapse (with evacuated casing), 1.0 - Burst, 1.8 - 8 Round Tension, 1.6 - Buttress Tension, and 1.5 - Body Yield. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser. Costs for this design are based on a 1987 pricing model. (Version 1.06)

STATE OF UTAH

Operator: PETRAL EXPLORATION LLC	Well Name: REA-SPRINGBANK 1
Project ID: 43-037-31746	Location: SEC. 02 - T38S - R24E

Design Parameters:

Mud weight (11.00 ppg) : 0.571 psi/ft
 Shut in surface pressure : 2892 psi
 Internal gradient (burst) : 0.083 psi/ft
 Annular gradient (burst) : 0.000 psi/ft
 Tensile load is determined using buoyed weight
 Service rating is "Sweet"

Design Factors:

Collapse : 1.125
 Burst : 1.00
 8 Round : 1.80 (J)
 Buttress : 1.60 (J)
 Other : 1.50 (J)
 Body Yield : 1.50 (B)

Length (feet)		Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost	
1	5,925	5.500	15.50	K-55	ST&C	5,925	4.825		
	Collapse Load Strgth S.F. (psi) (psi)			Burst Load (psi)	Min Int Strgth (psi)	Yield S.F.	Tension Load Strgth S.F. (kips) (kips)		
1	3386	4040	1.193	3386	4810	1.42	76.39	222	2.91 J

Prepared by : FRM, Salt Lake City, UT
 Date : 07-13-1994
 Remarks :

Minimum segment length for the 5,925 foot well is 1,000 feet.
 SICP is based on the ideal gas law, a gas gravity of 0.80, and a mean gas
 temperature of 104°F (Surface 74°F, BHT 133°F & temp. gradient 1.000°/100 ft.)
 The mud gradient and bottom hole pressures (for burst) are 0.571 psi/ft and
 3,386 psi, respectively.

NOTE: The design factors used in this casing string design are as shown above. As a general guide-
 line, Lone Star Steel recommends using minimum design factors of 1.125 - Collapse (with
 evacuated casing), 1.0 - Burst, 1.8 - 8 Round Tension, 1.6 - Buttress Tension, and 1.5 - Body
 Yield. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and
 Kemler curve. Engineering responsibility for use of this design will be that of the purchaser.
 Costs for this design are based on a 1987 pricing model. (Version 1.06)

McILNAY

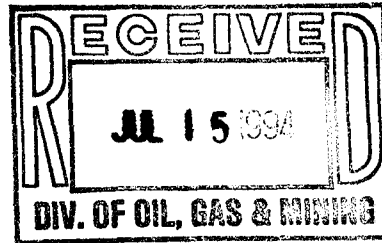
McILNAY & ASSOCIATES, INC.

2305 OXFORD LANE • CASPER, WY 82604 • (307) 265-4351 • FAX (307) 473-1218

PETROLEUM CONSULTING ENGINEERS & PROPERTY MANAGEMENT

REGISTERED PROFESSIONAL ENGINEERS

July 12, 1994



Mr. Frank Mathews
Utah Board of Oil, Gas & Mining
3 Triad Center, Ste. 350
355 W. North Temple
Salt Lake City, UT 84180-1203

Re: Petral Exploration LLC, #1 REA-Springbank, 1388' FNL & 466' FEL
Section 2-T38S-R24E, San Juan County, Utah

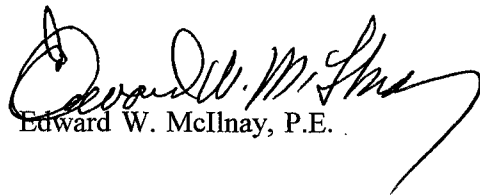
Dear Mr. Mathews:

I am enclosing with this letter the revised BLM Right-of-Way Application for referenced well. This is submitted for your review and should be made part of the APD package we submitted July 8, 1994.

If you have any questions or need additional information, please contact the undersigned.

Sincerely,

McIlnay & Associates, Inc.


Edward W. McIlnay, P.E.

EWM/so

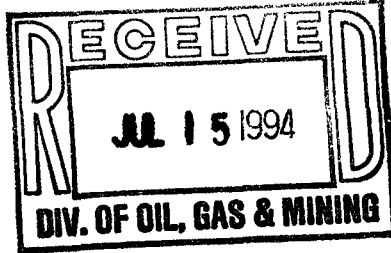
Enclosure

cc: Petral Exploration
Rose Exploration

ROSE
exploration
associates

518 17th street - suite 1200 - denver, colorado 80202 - (303) 595-0455

Mr. David Krauskop
United States Department of Interior
Bureau of Land Management
San Juan Resource Area
P.O. Box 7
Monticello, Utah 84535



July 9, 1994

Re: **REVISED** Access Road Right-Of-Way Application
PETRAL EXPLORATION #1 REA-Springbank
1388' FNL & 466' FEL Section 2 T 38 S R 24 E
San Juan County, Utah

Dear Mr. Krauskop:

Recently, by letter dated June 20, 1994, Rose Exploration Associates submitted, on behalf of our clients Petral Exploration, an "Application For Transportation and Utility Systems and Facilities on Federal Lands" for the above captioned exploratory well.

As you are aware, the proposed location of the access road has changed. Attached are a revised "Application For Transportation and Utility Syetems and Facilities on Federal Lands" and a revised "Plan of Development" for the re-routed access road. These revisions were made by and under the supervision of James K. Jackson, P.E., who developed the original application.

The new access road right-of-way was scouted by representatives of both the BLM and McIlnay & Associates prior to being centerline staked and supplemental archaeology being performed. It is my understanding that the supplemental archaeology was submitted directly to the San Juan Resource Area Archaeologist and to the State of Utah. Copies of the report are attached to this application as well.

Due to a shortage of "original" executed documents, it is respectfully requested that the supporting documentation from the original application be removed from same and attached to this application.

The well must spud before the lease expiration date of September 9, 1994. As has been mentioned earlier, our client just acquired the lease in a transaction which closed on June 17, 1994, so we are not involved in a last minute rush project on a lease that we have had for several years.

If determinations as to the necessity of a bond and the amount of the permit fee have been made, it is respectfully requested that we be notified as soon as possible so that we get these details taken care of rapidly.

Because Rose Exploration is coordinating the details of this application, please forward all correspondence pertaining to it to me for further handling. If you have questions or if we can be of assistance, please contact me at:

M.E. Wynne
Rose Exploration Associates
518 - 17th Street, Suite 1200
Denver, Colorado 80202
Phone (303) 595-0455
Fax (303) 571-4304

Petral Exploration, Rose Exploration, Jim Jackson, and McIlnay & Associates thank you for your cooperation in this matter.

Sincerely,

ROSE EXPLORATION ASSOCIATES


M.E. Wynne

Enclosures

cc w/encls: Dianne Shroyer, Petral Exploration
Ed McIlnay, McIlnay & Associates
Jim Jackson
Well File

APPLICATION FOR TRANSPORTATION AND
UTILITY SYSTEMS AND FACILITIES
ON FEDERAL LANDS

FORM APPROVED
OMB No. 1004-0060
Expires: June 30, 1995

FOR AGENCY USE ONLY

Application Number

Date filed

NOTE: Before completing and filing the application, the applicant should completely review this package and schedule a preapplication meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with the help of the agency representative, the application can be completed at the preapplication meeting.

1. Name and address of applicant (include zip code) Petal Exploration, LLC 1700 Lincoln, Ste 5000 Denver, Colorado 80202	2. Name, title, and address of authorized agent If different from Item 1 (include zip code) James K. Jackson 301 Thelma Drive, Ste 445 Casper, Wyoming 82609	3. TELEPHONE (area code) Applicant 303-595-0455 Authorized Agent 307-235-1113
---	--	---

a limited liability company

4. As applicant are you? (check one) a. <input type="checkbox"/> Individual b. <input type="checkbox"/> Corporation c. <input checked="" type="checkbox"/> Partnership/Association d. <input type="checkbox"/> State Government/State Agency e. <input type="checkbox"/> Local Government f. <input type="checkbox"/> Federal Agency * If checked, complete supplemental page	5. Specify what application is for: (check one) a. <input checked="" type="checkbox"/> New authorization b. <input type="checkbox"/> Renew existing authorization No. _____ c. <input type="checkbox"/> Amend existing authorization No. _____ d. <input type="checkbox"/> Assign existing authorization No. _____ e. <input type="checkbox"/> Existing use for which no authorization has been received f. <input type="checkbox"/> Other * If checked, provide details under Item 7
--	--

6. If an individual, or partnership are you a citizen(s) of the United States? ☒ Yes ☐ No

7. Project description (describe in detail): (a) Type of system or facility, (e.g., canal, pipeline, road); (b) related structures and facilities; (c) physical specifications (length, width, grading, etc.); (d) term of years needed; (e) time of year of use or operation; (f) Volume or amount of product to be transported; (g) duration and timing of construction; and (h) temporary work areas needed for construction. (Attach additional sheets, if additional space is needed.)

- Access road to the Petral Exploration #1 REA-Springbank from County Road 206 in section 10, T38S, R24E, San Juan County, Utah, to section 2, T38S, R24E, San Juan County, Utah.
- No additional or related structures will be constructed on the access road.
- The road construction will be according to BLM specification, ditched and crowned. The road will be 9,500' long, with a 50' Right-of-Way, and a finished surface width of 16'.
- 30 years if productive, less if plugged and abandoned.
- The road will be in use year round.
- Well production is estimated at 100 to 1000 Bbl/Day.
- The construction will begin upon approval and will take approximately one week.
- No additional area will be required beyond the Right-of-Way.

8. Attach map covering area and show location of project proposal 7½' Topo section is attached as figure 1.

9. State or local government approval: ☐ Attached ☒ Applied for ☐ Not required

10. Nonreturnable application fee: ☒ Attached ☐ Not required

11. Does project cross international boundary or affect international waterways? ☐ Yes ☒ No (If "yes," indicate on map)

12. Give statement of your technical and financial capability to construct, operate, maintain, and terminate system for which authorization is being requested.

The company has sufficient resources to build, and operate the lease road until abandonment and reclamation is complete.

Access from the east is limited by terrain.

b. Why were these alternatives not selected?

Terrain is more severe in the adjoining sections, and no existing track is available.

c. Give explanation as to why it is necessary to cross Federal lands.

The access is necessary to explore oil and gas leases in Section 2, T38N, R24E, San Juan County

14. List authorizations and pending applications filed for similar projects which may provide information to the authorizing agency. (Specify number, date, code, or name.)

No other projects are proposed at this time.

15. Provide statement of need for project, including the economic feasibility and items such as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and (c) expected public benefits.

a. The proposed right of way will be necessary to drill a proposed Oil/Gas well in Section 2, T38N, R24E, San Juan County, Utah on lease owned by the applicant.

16. Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles. There will be no significant impact on the population of the area because of this project.

17. Describe likely environmental effects that the proposed project will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land, including vegetation, permafrost, soil, and soil stability.

- a. There will be no significant impact on air quality in the area.
- b. There will be no significant visual impact.
- c. There will be no significant impact on surface and ground water in the area.
- d. There will be no significant impact on stream flow or drainage in the area.

(continued)

18. Describe the probable effects that the proposed project will have on (a) populations of fish, plant, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

There will be no significant impact on wildlife, or on threatened or endangered species.

19. State whether any hazardous substance, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601 (14), or any hazardous or solid waste, as defined in the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. 6903 (5), (27), will be used in the construction of, or at any time transported within, the right-of-way.

No hazardous materials will be used in the construction of the access road. Hazardous material transported during drilling and production activities will be handled in accordance with applicable regulations.

20. Name all the Department(s)/Agency(ies) where this application is being filed.

Bureau of Land Management
PO Box 477
Monticello, Utah 84535

I HEREBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and believe that the information submitted is correct to the best of my knowledge.

Signature of Applicant

James K. [Signature]

Date

Revised 7/9/94
6/1/94

Title 18, U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

Right-of-Way Application

Petral Exploration, Lmt.

Petral Exploration #1 REA-Springbank

17. e. There will be no significant impact on noise levels in the area except for vehicular traffic.
- f. Vegetation and soil stability will be effected by construction of the access road. These impacts will be mitigated by reclamation at the end of the project.

SUPPLEMENTAL

NOTE: The responsible agency(ies) will provide additional instructions.	CHECK APPROPRIATE BLOCK	
	ATTACHED	FILED*
I - PRIVATE CORPORATIONS		
a. Articles of Incorporation	<input type="checkbox"/>	<input type="checkbox"/>
b. Corporation Bylaws	<input type="checkbox"/>	<input type="checkbox"/>
c. A certification from the State showing the corporation is in good standing and is entitled to operate within the State.	<input type="checkbox"/>	<input type="checkbox"/>
d. Copy of resolution authorizing filing	<input type="checkbox"/>	<input type="checkbox"/>
e. The name and address of each shareholder owning 3 percent or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote and the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.	<input type="checkbox"/>	<input type="checkbox"/>
f. If application is for an oil or gas pipeline, describe any related right-of-way or temporary use permit applications, and identify previous applications.	<input type="checkbox"/>	<input type="checkbox"/>
g. If application is for an oil and gas pipeline, identify all Federal lands by agency impacted by proposal.	<input type="checkbox"/>	<input type="checkbox"/>
II - PUBLIC CORPORATIONS		
a. Copy of law forming corporation	<input type="checkbox"/>	<input type="checkbox"/>
b. Proof of organization	<input type="checkbox"/>	<input type="checkbox"/>
c. Copy of Bylaws	<input type="checkbox"/>	<input type="checkbox"/>
d. Copy of resolution authorizing filing	<input type="checkbox"/>	<input type="checkbox"/>
e. If application is for an oil or gas pipeline, provide information required by item "f-f" and "f-g" above.	<input type="checkbox"/>	<input type="checkbox"/>
III - PARTNERSHIP OR OTHER UNINCORPORATED ENTITY		
a. Articles of association, if any	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. If one partner is authorized to sign, resolution authorizing action is	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Name and address of each participant, partner, association, or other	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. If application is for an oil or gas pipeline, provide information required by item "f-f" and "f-g" above.	<input type="checkbox"/>	<input type="checkbox"/>

* If the required information is already filed with the agency processing this application and is current, check block entitled "Filed." Provide the file identification information (e.g., number, date, code, name). If not on file or current, attach the requested information.

NOTICE

The Privacy Act of 1974 provides that you be furnished the following information in connection with information required by this application for an authorization.

AUTHORITY: 16 U.S.C. 310; 5 U.S.C. 301.

PRINCIPAL PURPOSE: The information is to be used to process the application.

ROUTINE USES: (1) The processing of the applicant's request for an authorization. (2) Documentation for public information. (3) Transfer to appropriate Federal agencies when concurrence is required prior to granting a right in public lands or resources. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is voluntary. If all the information is not provided, the application may be rejected.

DATA COLLECTION STATEMENT

The Federal agencies collect this information from applicants requesting right-of-way, permit, license, lease, or certification for the use of Federal lands.

The Federal agencies use this information to evaluate the applicant's proposal.

The public is obligated to submit this form if they wish to obtain permission to use Federal lands.

A reproducible copy of this form may be obtained from the Bureau of Land Management, Division of Lands, 1819 C Street, N.W., Mail Stop Rm 301, 16201, Washington, D.C. 20240.

APPLICATION FOR TRANSPORTATION AND UTILITY SYSTEMS
AND FACILITIES ON FEDERAL LANDS

GENERAL INFORMATION
ALASKA NATIONAL INTEREST LANDS

This application will be used when applying for a right-of-way, permit, license, lease, or certificate for the use of Federal lands which lie within conservation system units and National Recreation or Conservation Areas as defined in the Alaska National Interest Lands Conservation Act. Conservation system units include the National Park System, National Wildlife Refuge System, National Wild and Scenic Rivers System, National Trails System, National Wilderness Preservation System, and National Forest Monuments.

Transportation and utility systems and facility uses for which the application may be used are:

1. Canals, ditches, flumes, laterals, pipes, pipelines, tunnels, and other systems for the transportation of water.
2. Pipelines and other systems for the transportation of liquids other than water, including oil, natural gas, synthetic liquid and gaseous fuels, and any refined product produced therefrom.
3. Pipelines, slurry and emulsion systems, and conveyor belts for transportation of solid materials.
4. Systems for the transmission and distribution of electric energy.
5. Systems for transmission or reception of radio, television, telephone, telegraph, and other electronic signals, and other means of communications.
6. Improved rights-of-way for snow machines, air cushion vehicles, and all-terrain vehicles.
7. Roads, highways, railroads, tunnels, tramways, airports, landing strips, docks, and other systems of general transportation.

This application *must* be filed simultaneously with each Federal department or agency requiring authorization to establish and operate your proposal.

In Alaska, the following agencies will help the applicant file an application and identify the other agencies the applicant should contact and possibly file with:

Department of Agriculture
Regional Forester, Forest Service (USFS)
Federal Office Building, P.O. Box 21628
Juneau, Alaska 99802-1628
Telephone: (907) 586-7847 (or a local Forest Service Office)

Department of the Interior
Bureau of Indian Affairs (BIA)
Juneau Area Office
9109 Mendenhall Mall Road, Suite 5, Federal Building Annex
Juneau, Alaska 99802
Telephone: (907) 586-7177

Bureau of Land Management (BLM)
222 West 7th Ave., Box 13
Anchorage, Alaska 99513-7599
Telephone: (907) 271-5477 (or a local BLM Office)

National Park Service (NPS)
Alaska Regional Office, 2525 Gambell St., Rm. 107
Anchorage, Alaska 99503-2892
Telephone: (907) 257-2585

U.S. Fish & Wildlife Service (FWS)
Office of the Regional Director
1011 East Tudor Road
Anchorage, Alaska 99503
Telephone: (907) 786-3440

Note: Filings with any Interior agency may be filed with any office noted above or with the: Office of the Secretary of the Interior, Regional Environmental Officer, Box 120, 1675 C Street, Anchorage, Alaska 99513.

(For supplemental, see reverse)

Department of Transportation
Federal Aviation Administration
Alaska Region AAL-4, 222 West 7th Ave., Box 14
Anchorage, Alaska 99513-7587
Telephone: (907) 271-5285

NOTE - The Department of Transportation has established the above central filing point for agencies within that Department. Affected agencies are: Federal Aviation Administration (FAA), Coast Guard (USCG), Federal Highway Administration (FHWA), Federal Railroad Administration (FRA).

OTHER THAN ALASKA NATIONAL INTEREST LANDS

Use of this form is not limited to National Interest Conservation Lands of Alaska.

Individual departments/agencies may authorize the use of this form by applicants for transportation and utility systems and facilities on other Federal lands outside those areas described above.

For proposals located outside of Alaska, applications will be filed at the local agency office or at a location specified by the responsible Federal agency.

SPECIFIC INSTRUCTIONS
(Items not listed are self-explanatory)

Item

- 7 Attach preliminary site and facility construction plans. The responsible agency will provide instructions whenever specific plans are required.
- 8 Generally, the map *must* show the section(s), township(s), and range(s) within which the project is to be located. Show the proposed location of the project on the map as accurately as possible. Some agencies require detailed survey maps. The responsible agency will provide additional instructions.
- 9, 10, and 12 - The responsible agency will provide additional instructions.
- 13 Providing information on alternate routes and modes in as much detail as possible, discussing why certain routes or modes were rejected and why it is necessary to cross Federal lands will assist the agency(ies) in processing your application and reaching a final decision. Include only reasonable alternate routes and modes as related to current technology and economics.
- 14 The responsible agency will provide instructions.
- 15 Generally, a simple statement of the purpose of the proposal will be sufficient. However, major proposals located in critical or sensitive areas may require a full analysis with additional specific information. The responsible agency will provide additional instructions.
- 16 through 19 - Providing this information in as much detail as possible will assist the Federal agency(ies) in processing the application and reaching a decision. When completing these items, you should use sound judgment in furnishing relevant information. For example, if the project is not near a stream or other body of water, *do not* address this subject. The responsible agency will provide additional instructions.

Application *must* be signed by the applicant or applicant's authorized representative.

Public reporting burden for this form is estimated to vary from 30 minutes to 25 hours per response, with an average of 2 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (W0-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

If additional space is needed to complete any item, please put the information on a separate sheet of paper and identify it as "Continuation of Item".

PLAN OF DEVELOPMENT (revised 7/8/94)
RIGHT-OF-WAY
PETRAL EXPLORATION #1 REA-SPRINGBANK

Location: Well - NE 1/4 Section 2, T38S, R24E, San Juan County, Utah

Access Road: NE 1/4 Section 10, NW 1/4 Section 11, and S 1/2 and NE 1/4 Section 2, all T38S R24E, San Juan County, Utah

Prepared by J.K. Jackson, P.E.
5/26/94 (revised 7/8/94)

1. Purpose and Need for the Facility

- a. The right of way is necessary to construct an access road to the proposed Petral Exploration #1 REA-Springbank well from County Road 206 in the NE 1/4 Section 10, T38S, R24E, San Juan County, Utah to the NE 1/4 Section 2, T38S, R24E, San Juan County, Utah.
- b. The road will be used for access to the well for drilling operations and production operations.
- c. NA
- d. The right of way will connect the wellsite to existing public roads.
- e. Alternative routes are not feasible for this location due to the difficult terrain adjoining the State section.

2. Facility Design Factors

- a. The road construction will be according to BLM specification, ditched and crowned. The road will be 9,500 feet long (approximately 3500 feet on BLM lands), with a 50 foot Right Of Way. The finished surface will not exceed 16 feet. The road will be surfaced with natural materials.
- b. This design will be sufficient to safely move personnel and equipment to and from the drillsite.
- c. Permanent width of the Right Of Way is 50 feet.
- d. No additional work areas are needed. No turnouts are planned.

3. Additional Components

- a. There are no existing components on Federal or non-Federal land that are components of the proposed Right Of Way. Duncan Petroleum has an existing tank battery in Section 3, T38S, R24E, San Juan County, Utah.
- b. Additional access road will cross Section 2, T38S R24E, San Juan County, Utah to the proposed wellsite.

4. Governmental Agency Involvement

- a. The Right Of Way application will be submitted to the Monticello District Office of the BLM.
- b. No other Federal agencies are involved in the Right Of Way application.

Page 2 Right-of-Way Plan of Development

4. continued

- c. Application for a Permit To Drill the well in Section 2, T38S R24E, San Juan County, Utah will be submitted to the Utah Division of Oil, Gas, and Mining, 3 Triad Center, Suite 350, Salt Lake City, Utah 84180-1203.
- d. A permit for egress from County Road 206 will be obtained from San Juan County prior to construction.
- e. Authorizing Actions
 - Federal Right-Of-Way
 - State of Utah Drilling Permit
 - State of Utah Water Permit
 - San Juan County egress permit

5. Right-Of-Way Location

- a. The proposed Right-Of-Way leaves County Road 206 on an existing two track road in the NE 1/4 of Section 10, T38S, R24E, proceeds generally northeast for approximately 1 mile across the NW 1/4 of Section 10, T38S, R24E into the SW 1/4 Section 2, T38S, R24E, then easterly for approximately 1/2 mile, then north-northeasterly for approximately 1/2 mile to the proposed drilling location. After entering Section 2, T38S, R24E, the proposed access road does not egress from it.
- b. A composite topographic map showing the proposed Right-Of-Way is attached as Figure 1. The proposed access road is marked in red.
- c. The route of the proposed access road has been inspected by BLM personnel and has been centerline staked.
- d. NA
- e. NA

6. Resource Values and Environmental Concerns

- a. The proposed access road is located in an area of significant oil production. It does not conflict with other plans or restrictions.
- b. An archaeological survey has been conducted and is attached. It states that no archaeological sites were encountered along the proposed route of the access road and that archaeological clearance has been recommended.
- c. The road should not conflict with existing or foreseeable resource values, environmental concerns, or public needs.
 - 1. There will be no significant effect on air quality.
 - 2. In this unpopulated area, noise will be limited to the drilling location other than vehicular traffic.
 - 3. No known geologic hazards are present in this area.
 - 4. NA
 - 5. There should be no significant impact on paleontological resources.
 - 6. There should be no significant impact on soil resources.
 - 7. There should be no significant impact on water resources.

6c. continued

8. There should be no significant impact on vegetation.
9. There should be no significant impact on wildlife resources.
10. There should be no significant impact on endangered species.
11. There should be no significant impact on cultural resources.
12. There should be no significant impact on visual resources.
13. There should be no significant impact on BLM financed improvements.
14. There should be no significant impact on recreation and wilderness resources.
15. Socioeconomic concerns
 - a. The investment in the project of \$300,000 should be of benefit to the general public.
 - b. The Right-Of-Way is necessary to evaluate the investment in the mineral lease in Section 2, T38S, R24E.
 - c. There should be no significant impact on social values in this area.
 - d. There should be no significant impact on the social values of the general public.
16. The proposed Right-Of-Way is not in a flood plain.
17. NA
18. There are no hazardous waste sites involved in the proposed Right-Of-Way.

7. Construction of the Facility

- a. The construction of the proposed Right-Of-Way will take approximately one week. It will be preliminary to well location construction in Section 2.
- b. Work Force
 1. Construction of the proposed access road will require two or three men working 12 hour days for one week. Drilling of the well will require up to sixteen working in three 8 hour shifts, 24 hours per day for 30 days. Completion activities will require four men working 12 hours per day for approximately three weeks. The access road will be the only route used to the location, and will be used by the above work force daily during activities.
 2. There will be no worker's camps on the access road or location.
 3. Subcontractors will perform all work on the access road. A company representative pumper will use the access road daily if production is established.
 - a. Three vehicles will be in the construction area.
 - b. Three vehicles will be traveling to the construction area daily.
- c. Flagging and Staking of the Right-Of-Way
 1. There is an existing two track road. Centerline flagging will be adequate and has been accomplished.
 2. The road will be maintained as close as possible to the centerline.
 3. Any unusual cut and fill areas, such as areas where blasting may occur, will be flagged and identified.
 4. No.

7. continued

- d. Clearing and Grading of the Right-Of-Way
 - 1. Only the area necessary for adequate drainage within the Right-Of-Way will be cleared or disturbed.
 - 2. No tree topping will be needed.
 - 3. Any brush or waste wood will be gathered and disposed of at an approved disposal site.
 - 4. Top soil will be stripped to a depth of six inches and stored on the Right-Of-Way.
- e. Facility Construction Data
 - 1. The Right-Of-Way will be constructed by a dirt contractor as part of the general location construction in preparation to drill the well in Section 2.
 - 2. Normal practices will be observed, using heavy equipment.
 - 3. If blasting is required to bring the road to grade, it will be done by certified personnel.
- f. Access To and Along the Right-Of-Way During Construction
 - 1. Minimal damage to areas outside the road surface is anticipated.
 - 2. The majority of construction activity will be on the well location.
- g. Contingency Planning
 - 1. A representative of the company will supervise the construction of the proposed Right-Of-Way. Until construction begins, the representative will be:
James K. Jackson
301 Thelma Drive
Casper, Wyoming 82609
(307) 235-1113
 - 2. Authorized Representative
Ed McIlnay
McIlnay & Associates
2305 Oxford Lane
Casper, Wyoming 82604
(307) 265-4351
- h. Safety Requirements
 - 1. No regular employees of the company will be involved in the construction.
 - 2. Contractors and subcontractors will work under State and Federal safety regulations.
 - 3. The general public will not have access to the location. Access will be limited to authorized personnel only.
- i. Industrial Wastes and Toxic Substances
 - 1. Sanitation facilities will be available on the location.
 - 2. NA
 - 3. No toxic or hazardous substances will be used during construction. Toxic and hazardous substances transported to and from the well location will be hauled according to the appropriate DOT regulations.

7. continued

j. Fire Plans

1. No open fires. All equipment will be protected with spark arrestors.
2. Wildfires will be suppressed with available equipment to the greatest extent possible.
3. The Local, County, State and Federal authorities will be promptly notified of any fires.

8. Stabilization and Rehabilitation

a. Soil Replacement and Stabilization

1. If necessary, additional topsoil will be utilized for rehabilitation.
2. The Right-Of-Way will be recontoured during rehabilitation.
3. The rehabilitated Right-Of-Way will have water bars to prevent erosion on grades above 6%.

b. No significant cutting of vegetation should be needed. Trees, stumps, and brush cut will be hauled to an approved disposal site.

c. Seeding Specifications

1. The seed mixture will be determined by the BLM.
2. Seeding will be done per BLM instructions.
3. The application of seed will be done per BLM instructions.
4. Additional mixtures of seed will be done per BLM instructions.
5. Application of straw, burlap or other mulching techniques will be done per BLM instructions.
6. The success of the seeding program will be determined by the BLM.
7. The seeding schedule will be determined by the BLM.

d. Use of Fertilizer

1. The use of fertilizer will be determined by the BLM.
2. The location of the fertilizer applications will be determined by the BLM.
3. The rate of application of fertilizer will be determined by the BLM.
4. The season of application of fertilizer will be determined by the BLM.

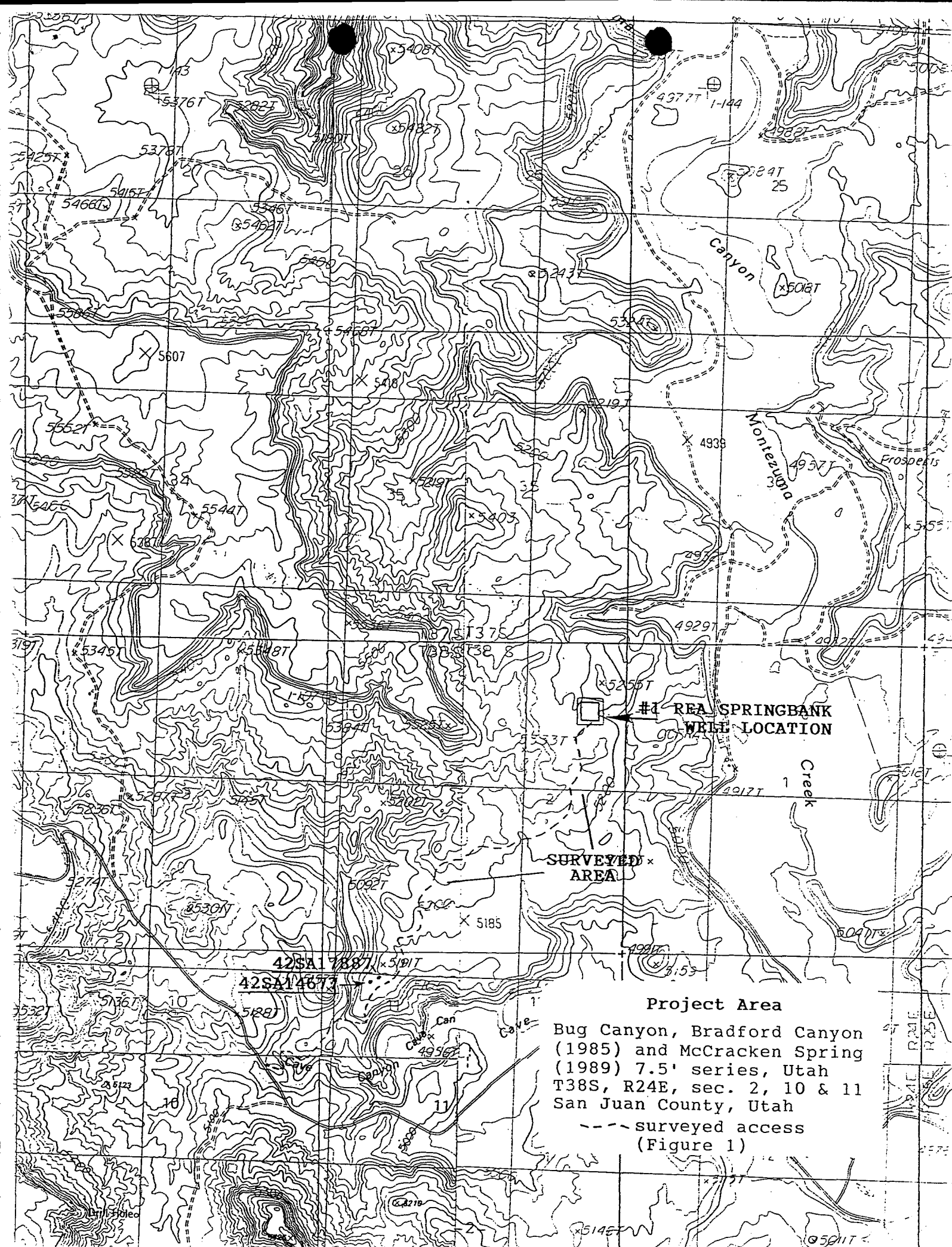
e. Limiting Access to the Right-Of-Way

1. Human access will be limited to authorized personnel.
2. Livestock and wildlife access will not be limited.

9. Operation and Maintenance of the Facility

If production is established, the Right-Of-Way will be for access to service the well by a contract pumper on a daily basis. The Right-Of-Way will be maintained for all weather, year-round travel. Production will be trucked from the well. Service equipment will use the Right-Of-Way on an occasional basis. Company local phone numbers will be posted on the well location.

Upon final abandonment of the well, the Right-Of-Way will be rehabilitated per BLM specifications.



ARCHAEOLOGICAL SURVEY OF
PETRAL EXPLORATION COMPANY'S
#1 REA SPRINGBANK RE-ROUTED ACCESS
SAN JUAN COUNTY, UTAH

4-CAS REPORT 9414a

by
Carol S. DeFrancia

4-CORNERS ARCHAEOLOGICAL SERVICES
14540 CR 21
Cortez, Colorado 81321
(303) 565-7450

July 5, 1994

FEDERAL ANTIQUITIES PERMIT 93UT62712
Utah State Permit No. U-93-FE-700 b, s

Prepared For:
Petal Exploration
1700 Lincoln, Suite 5000
Denver, CO 80203

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ABSTRACT

The archaeological survey of Petral Exploration Company's #1 REA Springbank re-routed access, was conducted by personnel of 4-Corners Archaeological Services on July 5, 1994. The project is located along a mesa bench north of Cave Canyon and west of Montezuma Creek in San Juan County, Utah. The project is situated approximately ten to twelve miles southeast of the town of Blanding. A total of 32.7 acres were inventoried for cultural resources on state land and land administered by the Bureau of Land Management, San Juan Resource Area.

No cultural resources were found in the project area. Archaeological clearance is recommended.

INTRODUCTION

The archaeological survey of Petral Exploration Company's #1 REA Springbank re-routed access (previously identified as Chaparral 2-A well pad and access route; 4-CAS #9414) was conducted by Carol DeFrancia of 4-Corners Archaeological Services on July 5, 1994. The project is located on state owned lands and land administered by the Bureau of Land Management, San Juan Resource Area. The survey was requested by Mr. Larry Miller, permit agent for Petral Exploration. Huddleston Surveying personnel staked and flagged the re-routed access prior to the survey. The surveyed access route extends 1.8 miles from the Perkins Ranch road to the #1 REA Springbank well location. Following a two-track dirt road, the access begins in the bottom of the Cave Canyon drainage and continues roughly northeast, extending below a prominent southeast-trending mesa ridge along a mesa bench to the #1 REA Springbank well location. Approximately 3500 feet of access crosses lands administered by the Bureau of Land Management, San Juan Resource Area (T38S, R24E, sections 10 & 11). The remaining 6000 feet crosses state owned lands (section 2). A total of 32.7 acres were inventoried for cultural resources (Figure 1).

Federal and state governments have enacted legislation that is designed to conserve and protect cultural resources. The principal federal legislation includes the Antiquities Act of 1906 (PL 52-209), the National Historic Preservation Act of 1966 (PL 89-665), the National Environmental Policy Act of 1969 (PL 91-190), the 1971 Executive Order No. 11593, the Archeological and Historical Conservation Act of 1974 (PL 93-291), and the Archaeological Resource Protection Act (ARPA) of 1979 (PL 95-96).

No cultural resources were found during the survey. Archaeological clearance for the project is recommended.

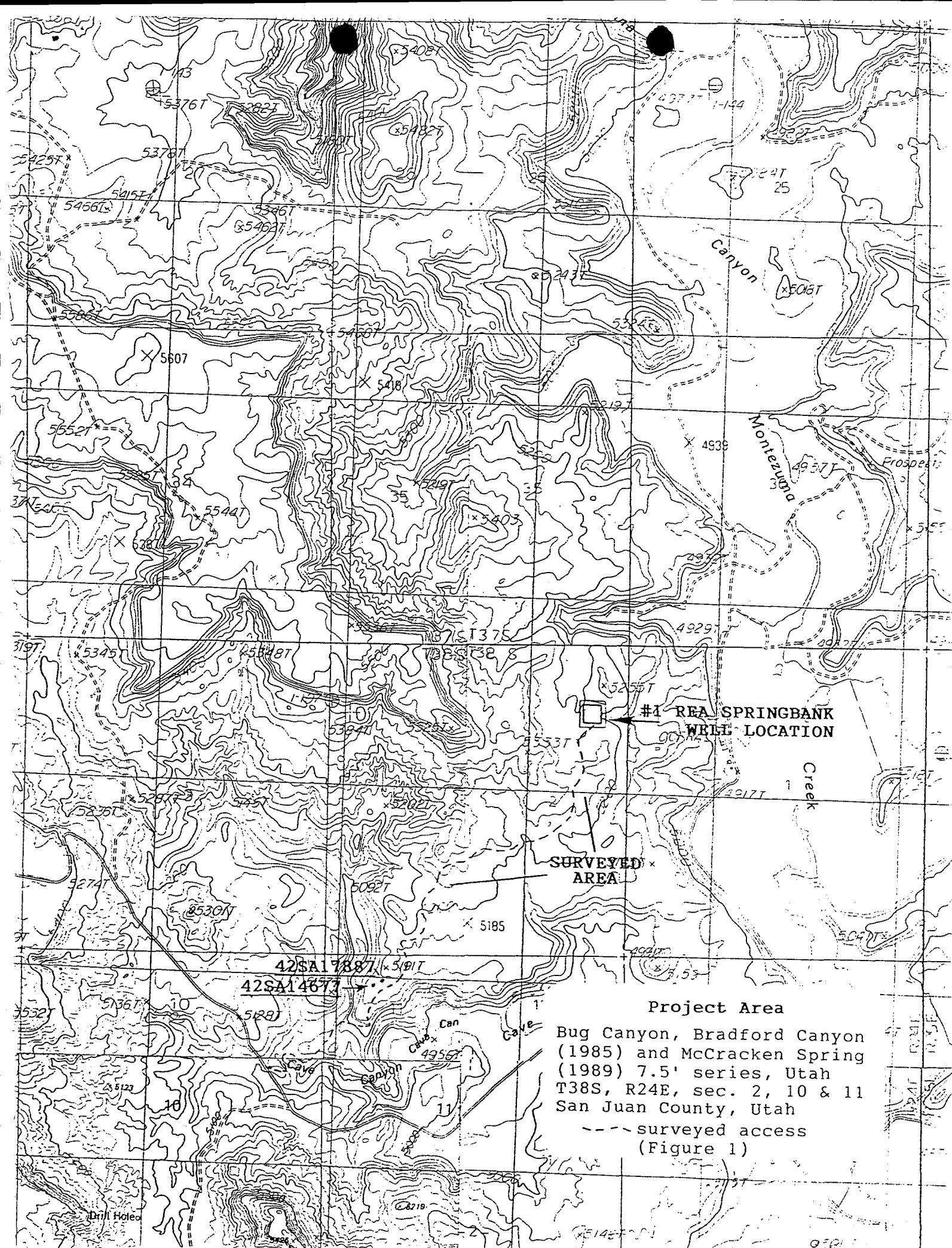
PROJECT AREA

Map Reference: Bug Canyon, Bradford Canyon, (1985 7.5' series) and McCracken Spring (1989 7.5' series), Utah.

Total Project Area: 13.0 acres; area surveyed 32.7 acres

Re-routed access (2-track road)

Legal Description: T38S, R24E: SE, NE; N 1/2, SE; E 1/2, SW of section 2
N 1/2, NW of section 11
SE, NE of section 10



UTM Coordinates:		Easting	Northing
	NE End	655340	4153330
	bend	655260	4153000
	bend	655230	4152880
	bend	655000	4152720
	bend	654770	4152700
	bend	654450	4152420
	bend	654340	4152200
	bend	654340	4152000
	bend	654180	4151740
	bend	654000	4151720
	bend	653830	4151560
	bend	653700	4151560
	bend	653730	4151490
	SW End	653620	4151520 (Perkins Road)

Project Area: 9500' long, maximum 60' wide (13.0 acres)

Surveyed Area: 9500' x 150' (32.7 acres)

Results: No cultural resources found.

PHYSIOGRAPHY AND ENVIRONMENT

The project area is located along a mesa bench north of Cave Canyon and west of Montezuma Creek in San Juan County, Utah, approximately ten to twelve miles southeast of the town of Blanding. The area lies in the Colorado Plateau physiographic province and is a structural element of the Blanding Basin (Stokes 1977). The re-routed access crosses a mesa bench in an area that is relatively flat to gently undulating. Sediments are predominately aeolian and washed alluvial and colluvial soils. Medium to large blocks of dark 'desert varnished' sandstone are scattered throughout the area.

Vegetation on the mesa bench is a sparse cold desert shrub association consisting of saltbush, shadscale, russian thistle, Indian ricegrass, and cheatgrass. Occasional juniper is also present.

Permanent water sources are available in numerous springs and seeps in the heads of Cave Canyon and Montezuma Creek. Montezuma Creek, less than three-quarter miles east, holds water for several months throughout the late winter/spring season.

Reptilian, avian, and mammalian associations are consistent with those of the Upper Sonoran Life Zone throughout the Colorado Plateau.

PREVIOUS RESEARCH

A file search was conducted on November 23, 1993, and July 5, 1994 at the BLM San Juan Resource Area Office in Monticello, and with the Utah State Historic Preservation Department in Salt Lake. The results of the review indicated that a small number of oil and gas related surveys have been conducted in the general vicinity between the early to mid 1980's, and during 1991. Two seismic lines and one extensive seismic program (4-CAS #9115) was conducted in close proximity to the project area. Two previously documented

archaeological sites (42SA14677 and 42SA17887) are situated approximately 175' to 200' northeast of the access route but will not be affected by project activities.

EXAMINATION PROCEDURES

Prior to the field investigations the re-routed access was staked and flagged. Two parallel zig-zag transects were walked along the 1.8 miles of access route, covering a 150' wide corridor.

SURVEY RESULTS

No cultural resources were found along the surveyed access corridor. Two previously documented archaeological sites (42SA14677 and 42SA17887) are situated approximately 175' to 200' northeast of the access route but will not be affected by project activities.

CONCLUSION AND RECOMMENDATIONS

The archaeological survey of Petral Exploration Company's #1 REA Springbank re-routed access (previously identified as Chaparral 2-A well pad and access route; 4-CAS #9414) was conducted by Carol DeFrancia of 4-Corners Archaeological Services on July 5, 1994. The project is located on state owned lands (section 2) and lands administered by the Bureau of Land Management, San Juan Resource Area (sections 10 & 11). The project is situated along a mesa bench north of Cave Canyon and west of Montezuma Creek in San Juan County, Utah. A total of 32.7 acres were inventoried for cultural resources.

No archaeological sites were encountered during the survey, archaeological clearance is recommended.

REFERENCES

- DeFrancia, Carol S.
1994 Archaeological Survey of Petral Exploration Company's Chaparral 2-A Well Pad & Access Route, San Juan County, Utah. 4-CAS Report No. 9414, Cortez.
- 1991 Archaeological Survey of Century Geophysical's North Patterson Seismograph Lines (91-NP-1 through 91-NP-14) San Juan County, Utah. 4-CAS Report No. 9115, Cortez.
- Stokes, William Lee
1987 Geology of Utah. Occasional Paper Number 6. Utah Museum of Natural History, University of Utah, Salt Lake City.

FILED

December 21, 1993 - 287260

ARTICLES OF ORGANIZATION

WYOMING
SECRETARY OF STATE

OF

by:

Ruth D. Samuels

Ruth D. Samuels
Corporations Examiner

PETRAL EXPLORATION LIMITED LIABILITY COMPANY

The undersigned person, hereby signs, verifies and delivers to the Wyoming Secretary of State these articles of organization in order to form a limited liability company pursuant to the Wyoming Limited Liability Company Act (the "Act").

ARTICLE I

NAME

The name of the limited liability company is Petral Exploration Limited Liability Company (the "Company").

ARTICLE II

DURATION

The Company shall exist for thirty years from the date these articles are filed with the Wyoming Secretary of State.

CONTINUATION

Upon the death, retirement, resignation, expulsion, bankruptcy or dissolution of any member of the Company, or upon the occurrence of any other event that terminates the continued membership of a member in the Company, the Company shall be dissolved unless all of the remaining members consent in writing within ninety days to continue the business of the Company.

93 DEC 21 PM 4:15

SECRETARY OF STATE

ARTICLE III

PURPOSE

The purpose for which the Company is organized is to acquire and develop oil and gas interests, to produce and market production therefrom, to conduct any other business related to the foregoing, and to engage in such other activities (other than banking or insurance) as the members of the Company may deem desirable.

The Company shall have and may exercise all of the rights, powers and privileges now or hereafter conferred upon limited liability companies organized under the Act and may do everything necessary, suitable or proper for the accomplishment of any of its purposes.

ARTICLE IV

REGISTERED OFFICE AND AGENT

The address of the Company's principal place of business in the state is c/o CT Corporation System, 1720 Carey Avenue, Cheyenne, Wyoming 82001. The name and address of the Company's initial registered agent is CT Corporation System, 1720 Carey Avenue, Cheyenne, Wyoming 82001.

ARTICLE V

CONTRIBUTIONS

The members are contributing cash to the Company in the aggregate amount of \$1,482,457.

ADDITIONAL CONTRIBUTIONS

Members may be obligated to contribute additional capital to the Company from time to time.

ARTICLE VI

ADDITIONAL MEMBERS

Additional members may not be admitted to the Company without the prior written consent of all of the members.

ARTICLE VII

INITIAL MANAGERS

The Company shall be managed by one manager. The name and address of the sole manager is:

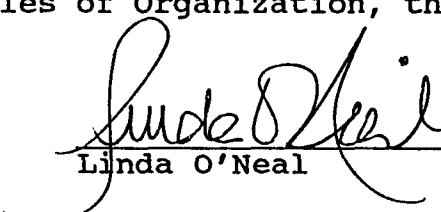
Petroro Corporation
1700 Lincoln, Suite 5000
Denver, Colorado 80203

ARTICLE VIII

WITHDRAWAL

Each Member shall have the right to withdraw from the Company upon 30 days notice to the other members and the manager. Upon withdrawal, a member has the right to receive an undivided interest in each of the assets of the Company in return for its contribution to capital.

IN WITNESS WHEREOF, the undersigned organizer has executed these Articles of Organization, this 17 day of December, 1993.



Linda O'Neal

State of Wyoming

Office of the Secretary of State



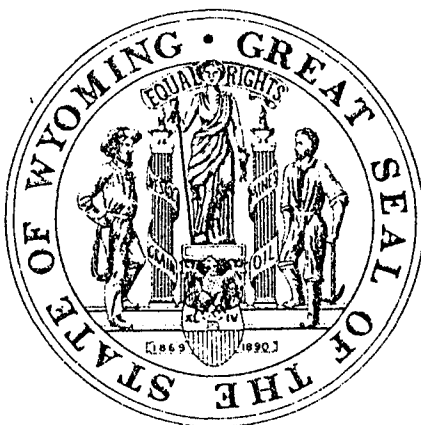
United States of America, }
State of Wyoming } ss.

CERTIFICATE OF **ORGANIZATION** OF

... PETRAL EXPLORATION LIMITED LIABILITY COMPANY ...

I, KATHY KARPAN, Secretary of State of the State of Wyoming, hereby certify that the prerequisites for the issuance of this certificate have been fulfilled in compliance with law, and are found to conform to law.

ACCORDINGLY, the undersigned, by virtue of the authority vested in me by law, hereby issues this Certificate.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of Wyoming. Done at Cheyenne, the Capital, this
21st day of December A.D., 19 93

Kathy Karpan
Secretary of State
By Pete D. Smuels

State of Wyoming

Office of the Secretary of State



United States of America, }
State of Wyoming } ss.

I, KATHY KARPAN, Secretary of State of the State of Wyoming, do hereby certify

. . . that . . . **PETRAL EXPLORATION LIMITED LIABILITY COMPANY**
. . . is a limited liability company organized under the laws of the
State of **WYOMING** did on **December 21, 1993** file its Articles of
Organization in the Office of the Secretary of State of Wyoming,
has filed all annual reports and paid all annual license taxes to-
date, and is a body corporate in good standing at the date of this
certificate;

I FURTHER CERTIFY that this certificate is not to be
construed as an endorsement, recommendation, or notice of approval
of the limited liability company's financial condition or business
activities and practices as this information is not available from
the records of this office.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the
Great Seal of the State of Wyoming. Done at Cheyenne, the Capital, this
21st day of December A.D., 19 93

Kathy Karpan
Secretary of State
By Patricia D. Smuels

Petral Exploration Limited Liability Company

Members

Paradox/Green River Exploration, L.L.C.
2501 McGee
Kansas City, MO 64108

Petroro Corporation
P. O. Box 5083
Denver, CO 80217

Antonito Resources, Inc.
P. O. Box 5083
Denver, CO 80217



LC003829

Application for
Foreign Limited Liability Company
Certificate of Registration
of

RECEIVED

1994 JAN 28 AM 11:55

Petral Exploration Limited Liability Company

Limited Liability Company Name

1. This limited liability company of the state of Wyoming, organized on December 21, 1993 hereby applies for a Certificate of Registration to transact business in the state of Utah. (date)

2. This limited liability company period of duration is 30 years

3. The registered agent in Utah is Bruce N. Lemons

The street address of the registered office in Utah is

111 East Broadway, Suite 1100 Salt Lake City, UTAH 84111

street address

city

zip

If this registered agent is removed for any reason or cannot be found upon reasonable effort, the limited liability company registration will be subject to revocation and the Director of the Utah Division of Corporations shall act as the registered agent for this foreign limited liability company for purposes of service of process.

4. The business purpose(s) to be pursued in Utah are to acquire and develop oil and gas interests, to produce and market production therefrom, to conduct any other business related to the foregoing, and to engage in such other activities (other than banking or insurance) as the members of the Company may deem desirable.

5. This foreign limited liability company acknowledges that actions may be commenced against it in the proper court of any county where there is proper venue by service of process on its registered agent and agrees that this service shall be taken and held, in all courts, to be as valid and binding as if service had been made upon its members.

6. The names and full street addresses of each member (additional names and addresses may be listed on the back of this form)

Name	Address	City/State	Zip
<u>Petroro Corporation</u>	<u>1700 Lincoln, Suite 5000</u>	<u>Denver, CO</u>	<u>80203</u>
<u>Antonito Resources, Inc.</u>	<u>1700 Lincoln, Suite 5000</u>	<u>Denver, CO</u>	<u>80203</u>
<u>Paradox/Green River Exploration, L.L.C.</u>	<u>c/o John S. Eckels, Esq., Gage & Tucker, 2345 Grand Avenue</u>	<u>Kansas City, MO</u>	<u>64108</u>

7. The limited liability company intends to first transact business in Utah on 2/1/94 (date)

8. A Certificate of Good Standing from the state of organization dated no earlier than thirty (30) days prior to filing with the Division is attached hereto.

9. The limited liability company shall use as its name in Utah Petral Exploration Limited Liability Company

(The limited liability company shall use its name as set forth at the top of this form unless this name is not available for use in Utah.)

Under penalties of perjury, I declare as a member of this limited liability company having authority to sign hereto, that this application for Foreign Limited Liability Company Certificate of Registration has been examined by me and is, to the best of my knowledge and belief, true, correct and complete. Petroro Corporation, Manager/Member

By: Bruce N. Lemons

Limited Liability Company Member

The undersigned hereby accepts appointment as registered agent for the above named limited liability company.

By: Bruce N. Lemons
Registered Agent

Filing Fee: \$50.00

Send completed forms in duplicate to:

State of Utah
Division of Corporations
and Commercial Code
160 East 300 South/P.O. Box 45801
Salt Lake City, Utah 84145-0801
(801)530-4849

State of Utah
Department of Commerce
Division of Corporations and Commercial Code

I hereby certify that the foregoing has been filed and approved on the 28 day of Jan, 1994, in the office of this Division and hereby issue this Certificate thereof.

Examiner L. L. P. Date 1-28-94



Karla S. Woods
KORLA T. WOODS
Division Director

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: STATE OF UTAH

LEASE NUMBER: ML-36200

and hereby designates

NAME: PETRAL EXPLORATION, LIMITED LIABILITY COMPANY

ADDRESS: 1700 Lincoln, Suite #5000, Denver, Colorado 80208

as his agent ☐/operator ☒, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable, and identify each applicable oil and gas well by name and API number. Attach additional pages as needed.)

TOWNSHIP 38 SOUTH, RANGE 24 EAST:

Section 2: All

San Juan County, Utah

Being 645.68 acres, more or less

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: June 17, 1994

BY: (Name) Michael R. Childers

(Signature) 

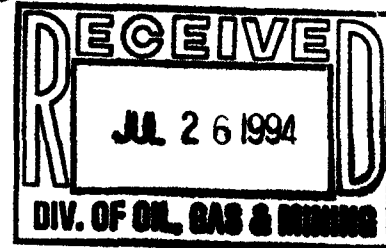
(Title) Vice President

(Phone) 817-695-4900

OF: (Company) SUNFIELD ENERGY COMPANY

(Address) 2505 N. Highway 360, Ste #800

Grand Prairie, Texas 75050



3

DRILLING LOCATION ASSESSMENT

State of Utah
Division of Oil, Gas and Mining

OPERATOR: PETRAL EXPLORATION LLC WELL NAME: REA-SPRINGBANK #1
SECTION: 2 TWP: 38S RNG: 24E LOC: 1388 FNL 466 FEL
QTR/QTR SE/NE COUNTY: SAN JUAN FIELD: UNDESIGNATED
SURFACE OWNER: STATE OF UTAH
SURFACE AGREEMENT:
SPACING: F SECTION LINE F QTR/QTR LINE F ANOTHER WELL
INSPECTOR: DAVID W. HACKFORD DATE AND TIME: 7/20/94 9:15 AM
PARTICIPANTS DAVID HACKFORD (DOGM) LARRY MILLER (OPERATOR REP.)
D.L. KROUSKOP (BLM) JERRY HOLLIDAY (HOLLIDAY CONSTRUCTION)
JAMES WARD (RW TRUCKING)

REGIONAL SETTING/TOPOGRAPHY

SITE IS ON A PLATEAU IN AN AREA OF ROCKY HILLS AND DRAWS, SLOPING EAST TO MONTAZUMA CREEK. THERE IS A POINT 20' HIGHER THAN SITE LOCATED 200' SOUTH.

LAND USE:

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK PRIMARILY IN WINTER

PROPOSED SURFACE DISTURBANCE: LOCATION, RESERVE PIT AND 200' OF NEW ROAD.

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: JUNIPER, SALT GRASS, CHEATGRASS, SALT BRUSH, YUCCA, SAGE. DEER, RODENTS, REPTILES, SMALL BIRDS, COYOTES, RAPTORS, FOX.

ENVIRONMENTAL PARAMETERS

SURFACE GEOLOGY

SOIL TYPE AND CHARACTERISTICS: STRINGERS OF LIGHT, ALMOST WHITE CLAY AND REDDISH SAND. IN PLACES THE TWO MIX.

SURFACE FORMATION & CHARACTERISTICS:

EROSION/SEDIMENTATION/STABILITY: SLIGHT, SHOULD NOT BE A

PROBLEM.

PALEONTOLOGICAL POTENTIAL: _NONE OBSERVED AT SITE. _

SUBSURFACE GEOLOGY

OBJECTIVES/DEPTHS: _AKAH FORMATION @ 5925' _

____UPPER ISMAY @ 5515' _

ABNORMAL PRESSURES-HIGH AND LOW: _POSSIBLY OVER-PRESSURED IN
THE LOWER DESERT CREEK @ 5840'. _

CULTURAL RESOURCES/ARCHAEOLOGY: _SITE AND ACCESS ROAD HAS BEEN
CHECKED BY ARCHAEOLOGIST CAROL FRAZIA OF FOUR CORNERS ARCHAEOLOGY.
REPORT SHOULD BE SENT TO SALT LAKE CITY OFFICE.

CONSTRUCTION MATERIALS: _LOCATION WILL BE CONSTRUCTED WITH MATERIALS
AT THE SITE USING CUT AND FILL. _

SITE RECLAMATION: _AS REQUIRED BY STATE LANDS. _

RESERVE PIT

CHARACTERISTICS: _125' BY 75' AND 10' DEEP. _

PIT MUST BE SOUTH EAST OF WELL BORE. _

LINING: _12 MIL PLASTIC LINER WILL BE REQUIRED. _

MUD PROGRAM: _FRESH WATER GEL AND LIME FOR A LOW SOLIDS SYSTEM. _

DRILLING WATER SUPPLY: _RICHARD PERKINS' RESERVOIR LOCATED SEC. 7
T28S R 25E. RESERVOIR IS FED BY AN ARTESIAN WELL.

OTHER OBSERVATIONS

_A CANYON HEADS 100' EAST OF SITE AND RUNS TO MONTAZUMA CREEK
LOCATED ONE MILE EAST.

STIPULATIONS FOR APD APPROVAL

____12 MIL LINER FOR RESERVE PIT. _

____THE PIT WILL BE LOCATED ON THE SOUTH EAST SIDE OF THE LOCATION _



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

July 28, 1994

Petral Exploration LLC
2305 Oxford Lane
Casper, Wyoming 82604

Re: REA-Springbank 1 Well, 1388' FNL, 466' FEL, SE NE, Sec. 2, T. 38 S., R. 24 E.,
San Juan County, Utah

Gentlemen:

Pursuant to Utah Admin. R. 649-3-3, Exception to Location and Siting of Wells and R. 649-3-4, Permitting of Wells to be Drilled, Deepened or Plugged-Back, approval to drill the referenced well is hereby granted.

In addition, the following specific actions are necessary to fully comply with this approval:

1. Compliance with the requirements and stipulations of the attached Drilling Location Assessment Report dated July 20, 1994.
2. Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules.
3. Notification to the Division within 24 hours after drilling operations commence.
4. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change.
5. Submittal of the Report of Water Encountered During Drilling, Form 7.
6. Prompt notification prior to commencing operations, if necessary, to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801)538-5340, (Home) (801)476-8613, or K. Michael Hebertson, Reclamation Specialist, (Home) (801)269-9212.



Page 2
Petral Exploration LLC
REA-Springbank 1 Well
July 28, 1994

7. Compliance with the requirements of Utah Admin. R. 649-3-20, Gas Flaring or Venting, if the well is completed for production.

This approval shall expire one year after date of issuance unless substantial and continuous operation is underway or a request for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-037-31746.

Sincerely,



R.J. Firth
Associate Director

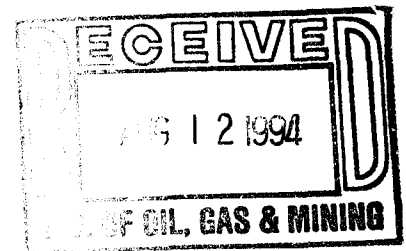
ldc
Enclosures
cc: San Juan County Assessor
Bureau of Land Management, Moab District Office
Trust Land Administration
WOI1



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
Robert L. Morgan
State Engineer

Southeastern Area
455 South Carbon Avenue
P.O. Box 718
Price, Utah 84501-0718
801-637-1303



August 2, 1994

R.W. Trucking
P.O. Box 1208
Cortez, Colorado 81321

Re: Temporary Change Application Numbers t18234 and t18235
Expiration Date: November 15, 1994

Dear Applicant:

The above referenced Temporary Change Applications are hereby approved.
Copies are enclosed for your information and records.

If you have any questions, please feel free to contact me.

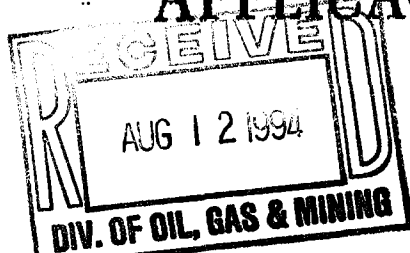
Sincerely,

Mark P. Page
Regional Engineer

Enclosures
MPP/mjk



APPLICATION FOR TEMPORARY CHANGE OF WATER



STATE OF UTAH

RECEIVED

Rec. by _____

Fee Paid \$ _____

Receipt # _____

Microfilmed _____

WATER RIGHTS

Roll # _____

For the purpose of obtaining permission to make a temporary change of water in the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Section 73-3-3 Utah Code Annotated 1953, as amended.

*WATER RIGHT NO. 09 Area _____ *APPLICATION NO. t18234

Changes are proposed in (check those applicable)

_____ point of diversion. ☒ place of use. ☒ nature of use. ☒ period of use.

1. OWNER INFORMATION

Name: R.W. Trucking *Interest: _____%

Address: P.O. Box 1208

City: Cortez State: Colorado Zip Code: 81321

2. *PRIORITY OF CHANGE: December 10, 1951 *FILING DATE: August 1, 1994

*Is this change amendatory? (Yes/No): No

3. RIGHT EVIDENCED BY: 09-156 (A23462; a5076) Cert. No. 7854

Prior Approved Temporary Change Applications for this right: None

***** HERETOFORE *****

4. QUANTITY OF WATER: 0.364 cfs and/or _____ ac-ft.

5. SOURCE: Underground Water Well

6. COUNTY: San Juan

7. POINT(S) OF DIVERSION: _____
N. 531 ft. & E. 1810 ft. from W $\frac{1}{4}$ Cor. Sec. 1, T38S, R24E, SLB&M

Description of Diverting Works: 4" x 538'

8. POINT(S) OF REDIVERSION

The water has been rediverted from _____ at a point: _____

Description of Diverting Works: _____

9. POINT(S) OF RETURN

The amount of water consumed is 0.364 cfs or _____ ac-ft.

The amount of water returned is _____ cfs or _____ ac-ft.

The water has been returned to the natural stream/source at a point(s): _____

*These items are to be completed by the Division of Water Rights.

Temporary Change

10. NATURE AND PERIOD OF USE

Irrigation: From March 1 to October 31
 Stockwatering: From _____ to _____
 Domestic: From _____ to _____
 Municipal: From _____ to _____
 Mining: From _____ to _____
 Power: From _____ to _____
 Other: From _____ to _____

11. PURPOSE AND EXTENT OF USE

Irrigation: 80.4 acres. Sole supply of _____ acres.
 Stockwatering (number and kind): _____
 Domestic: _____ Families and/or _____ Persons.
 Municipal (name): _____
 Mining: _____ Mining District in the _____ Mine.
 Ores mined: _____
 Power: Plant name: _____ Type: _____ Capacity: _____
 Other (describe): _____

12. PLACE OF USE

Legal description of place of use by 40 acre tract(s):
SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 1, T38S, R24E, SLB&M

13. STORAGE

Reservoir Name: _____ Storage Period: from _____ to _____
 Capacity: _____ ac-ft. Inundated Area: _____ acres.
 Height of dam: _____ feet.
 Legal description of inundated area by 40 tract(s): _____

***** THE FOLLOWING CHANGES ARE PROPOSED *****

14. QUANTITY OF WATER: _____ cfs and/or 1.54 ac-ft.
 15. SOURCE: Underground Water Well
 Balance of the water will be abandoned: _____, or will be used as heretofore: X
 16. COUNTY: San Juan
 17. POINT(S) OF DIVERSION: Same as Heretofore

Description of Diverting Works: 4"x538' & portable pump and tank truck
 "COMMON DESCRIPTION: 9 miles North of Hatch Trading Post Bug Canyon Quad

18. POINT(S) OF REDIVERSION

The water will be rediverted from _____ at a point: _____

Description of Diverting Works: _____

19. POINT(S) OF RETURN

The amount of water to be consumed is _____ cfs or 1.54 ac-ft.
 The amount of water to be returned is _____ cfs or _____ ac-ft.
 The water will be returned to the natural stream/source at a point(s): _____

20. NATURE AND PERIOD OF USE

Irrigation: From ___/___/___ to ___/___/___
Stockwatering: From ___/___/___ to ___/___/___
Domestic: From ___/___/___ to ___/___/___
Municipal: From ___/___/___ to ___/___/___
Mining: From ___/___/___ to ___/___/___
Power: From ___/___/___ to ___/___/___
Other: From 8 / 15 / 94 to 11 / 15 / 94

21. PURPOSE AND EXTENT OF USE

Irrigation: _____ acres. Sole supply of _____ acres.
Stockwatering (number and kind): _____
Domestic: _____ Families and/or _____ Persons.
Municipal (name): _____
Mining: _____ Mining District at the _____ Mine.
Ores mined: _____
Power: Plant name: _____ Type: _____ Capacity: _____
Other (describe): Exploration Drilling, Road Construction & Maintenance, and other
related uses

22. PLACE OF USE

Legal description of place of use by 40 acre tract(s): _____
SE 1/4 Sec. 2, T38S, R24E, SLB&M (Petrel #1 REA Springback)

23. STORAGE

Reservoir Name: _____ Storage Period: from _____ to _____
Capacity: _____ ac-ft. Inundated Area: _____ acres.
Height of dam: _____ feet.
Legal description of inundated area by 40 tract(s): _____

24. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application. Include any supplemental water rights used for the same purpose. (Use additional pages of same size if necessary): _____

The applicant is purchasing this water from the water right owner, Richard Gore.

The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).

James H. Ward
Signature of Applicant(s)

STATE ENGINEER'S ENDORSEMENT

TEMPORARY CHANGE APPLICATION NUMBER: t18234

WATER RIGHT NUMBER: 09-AREA

1. August 1, 1994 Change Application received by MP.
2. August 2, 1994 Application designated for APPROVAL by MP and MPP.
3. Comments:

Conditions:

This application is hereby APPROVED, dated August 2, 1994, subject to prior rights and this application will expire on November 15, 1994.



Mark Page, Regional Engineer
for
Robert L. Morgan, State Engineer

APPLICATION FOR TEMPORARY CHANGE OF WATER

RECEIVED

Rec. by _____

Fee Paid \$ _____

Receipt # _____

Microfilmed _____

Roll # _____

STATE OF UTAH

WATER RIGHTS PRICE

AUG 1 1994

For the purpose of obtaining permission to make a temporary change of water in the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Section 73-3-3 Utah Code Annotated 1953, as amended.

*WATER RIGHT NO. 09 Area _____ *APPLICATION NO. 1 18235

Changes are proposed in (check those applicable)

_____ point of diversion. X _____ place of use. X _____ nature of use. X _____ period of use.

1. OWNER INFORMATION

Name: R.W. Trucking *Interest: _____ %

Address: P.O. Box 1208

City: Cortez State: Colorado Zip Code: 81321

2. *PRIORITY OF CHANGE: May 5, 1953 *FILING DATE: August 1, 1994

*Is this change amendatory? (Yes/No): No

3. RIGHT EVIDENCED BY: 09-169 (A24863) Cert. No. 6249

Prior Approved Temporary Change Applications for this right: 84-09-13; 88-09-01; 88-09-02; 91-09-03

***** HERETOFORE *****

4. QUANTITY OF WATER: 1.199 cfs and/or _____ ac-ft.

5. SOURCE: Underground Water Well

6. COUNTY: San Juan

7. POINT(S) OF DIVERSION: 1) N. 2350 ft. & W. 444 ft. from SE Cor. Sec. 12, T38S, R24E, SLB&M

2) N. 1946 ft. & E. 1152 ft.;

3) N. 1651 ft. & E. 2236 ft.;

4) N. 917 ft. & E. 2414 ft.; all from SW Cor. Sec. 7, T38S, R25E, SLB&M.

Description of Diverting Works: 1) 8"x506' 2) 8"x516' 3) 8"x496' 4) 8"x506'

8. POINT(S) OF REDIVERSION

The water has been rediverted from _____ at a point: _____

Description of Diverting Works: _____

9. POINT(S) OF RETURN

The amount of water consumed is 1.199 cfs or _____ ac-ft.

The amount of water returned is _____ cfs or _____ ac-ft.

The water has been returned to the natural stream/source at a point(s): _____

*These items are to be completed by the Division of Water Rights.

Temporary Change

10. NATURE AND PERIOD OF USE

Irrigation: From March 1 to October 31
 Stockwatering: From January 1 to December 31
 Domestic: From _____ to _____
 Municipal: From _____ to _____
 Mining: From _____ to _____
 Power: From _____ to _____
 Other: From _____ to _____

11. PURPOSE AND EXTENT OF USE

Irrigation: 136.0 acres. Sole supply of _____ acres.
 Stockwatering (number and kind): 2000 Sheep, 56 Cows, 7 Horses
 Domestic: _____ Families and/or _____ Persons.
 Municipal (name): _____
 Mining: _____ Mining District in the _____ Mine.
 Ores mined: _____
 Power: Plant name: _____ Type: _____ Capacity: _____
 Other (describe): _____

12. PLACE OF USE

Legal description of place of use by 40 acre tract(s):
E $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 12; E $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 13; both T38S, R24E, SLB&M;
SW $\frac{1}{4}$ Sec. 7; NW $\frac{1}{4}$ Sec. 18; both T38S, R25E, SLB&M.

13. STORAGE

Reservoir Name: _____ Storage Period: from _____ to _____
 Capacity: _____ ac-ft. Inundated Area: _____ acres.
 Height of dam: _____ feet.
 Legal description of inundated area by 40 tract(s): _____

***** THE FOLLOWING CHANGES ARE PROPOSED *****

14. QUANTITY OF WATER: _____ cfs and/or 1.54 ac-ft.
 15. SOURCE: Underground Water Well
 Balance of the water will be abandoned: _____, or will be used as heretofore: X
 16. COUNTY: San Juan
 17. POINT(S) OF DIVERSION: Same as Heretofore

Description of Diverting Works: Portable pump & tank truck
COMMON DESCRIPTION: 17 miles SE of Blanding Blanding South Quad

18. POINT(S) OF REDIVERSION

The water will be rediverted from _____ at a point: _____

Description of Diverting Works: _____

19. POINT(S) OF RETURN

The amount of water to be consumed is _____ cfs or 1.54 ac-ft.
 The amount of water to be returned is _____ cfs or _____ ac-ft.
 The water will be returned to the natural stream/source at a point(s): _____

20. NATURE AND PERIOD OF USE

Irrigation: From ___/___/___ to ___/___/___
Stockwatering: From ___/___/___ to ___/___/___
Domestic: From ___/___/___ to ___/___/___
Municipal: From ___/___/___ to ___/___/___
Mining: From ___/___/___ to ___/___/___
Power: From ___/___/___ to ___/___/___
Other: From 8 / 15 / 94 to 11 / 15 / 94

21. PURPOSE AND EXTENT OF USE

Irrigation: _____ acres. Sole supply of _____ acres.
Stockwatering (number and kind): _____
Domestic: _____ Families and/or _____ Persons.
Municipal (name): _____
Mining: _____ Mining District at the _____ Mine.
Ores mined: _____
Power: Plant name: _____ Type: _____ Capacity: _____
Other (describe): Exploration Drilling, Road Construction & Maintenance, and other
related uses.

22. PLACE OF USE

Legal description of place of use by 40 acre tract(s): _____
SE 1/4 Sec. 2, T38S, T24E, SLB&M (Petril #1 REA Springback)

23. STORAGE

Reservoir Name: _____ Storage Period: from _____ to _____
Capacity: _____ ac-ft. Inundated Area: _____ acres.
Height of dam: _____ feet.
Legal description of inundated area by 40 tract(s): _____

24. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application. Include any supplemental water rights used for the same purpose. (Use additional pages of same size if necessary): _____
The applicant is purchasing this water from the owner of the right, Richard Perkins,
of Blanding.

The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).

Carver J. Ward
Signature of Applicant(s)

STATE ENGINEER'S ENDORSEMENT

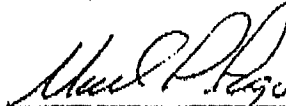
TEMPORARY CHANGE APPLICATION NUMBER: t18235

WATER RIGHT NUMBER: 09-AREA

1. August 1, 1994 Change Application received by MP.
2. August 2, 1994 Application designated for APPROVAL by MP and MPP.
3. Comments:

Conditions:

This application is hereby APPROVED, dated August 2, 1994, subject to prior rights and this application will expire on November 15, 1994.



Mark Page, Regional Engineer
for
Robert L. Morgan, State Engineer

McILNAY

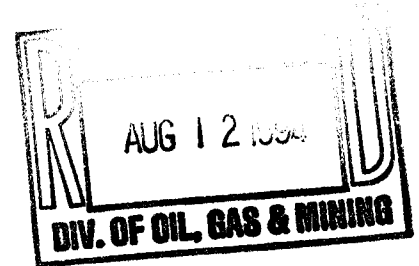
McILNAY & ASSOCIATES, INC.

2305 OXFORD LANE • CASPER, WY 82604 • (307) 265-4351 • FAX (307) 473-1218

PETROLEUM CONSULTING ENGINEERS & PROPERTY MANAGEMENT

REGISTERED PROFESSIONAL ENGINEERS

August 8, 1994



Mr. Frank Matthews
State of Utah
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Ste. 350
Salt Lake City, Utah 84180-1203

Re: Petral Exploration LLC, REA-Springbank #1
SE NE Sec. 2-T38S-R24E, San Juan co., Utah

Dear Mr. Matthews:

I am enclosing with this letter water permits for our primary and secondary water source for the drilling of the above referenced well. This is for your review and should be made part of the APD package.

If you have any questions or need additional information, please contact our office.

Sincerely,

McILNAY & ASSOCIATES, INC.

Sharon Orr

Enclosure

cc: Petral Exploration
Rose Exploration

McILNAY

McILNAY & ASSOCIATES, INC.

2305 OXFORD LANE • CASPER, WY 82604 • (307) 265-4351 • FAX (307) 473-1218

PETROLEUM CONSULTING ENGINEERS & PROPERTY MANAGEMENT

REGISTERED PROFESSIONAL ENGINEERS

August 30, 1994

State of Utah
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Ste. 350
Salt Lake City, Utah 84180-1203

Attn: Mr. Frank R. Matthews

Re: Petral Exploration LLC, #1 REA-Springbank,
SE NE Sec. 2-T38S-R24E, San Juan Co., UT

Dear Mr. Matthews:

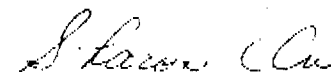
By this letter we are transmitting Form 6, Entity Action Form for the above referenced well. The well was spudded 8-26-94 with a 17 1/2" pilot hole.

This well is a "Tight Hole" and we are requesting all information be held CONFIDENTIAL.

If you have any questions, please do not hesitate to contact us.

Sincerely,

McILNAY & ASSOCIATES, INC.



Sharon Orr

so

cc: Petral Exploration LLC
Rose Exploration Associates

McILNAY**McILNAY & ASSOCIATES, INC.**

2305 OXFORD LANE • CASPER, WY 82604 • (307) 265-4351 • FAX (307) 473-1218

PETROLEUM CONSULTING ENGINEERS & PROPERTY MANAGEMENT

REGISTERED PROFESSIONAL ENGINEERS

August 30, 1994

Fax transmission:
3 pages

Lickie

TO: Mr. Frank Matthews
FROM: Sharon Orr
RE: #1 REA-Springbank, Spud Information

Mr. Matthews:

Since our initial operations encompassed a weekend we are faxing the initial Entity Action Form 6 today. A hard copy will follow in today's mail.

If there are any problems with this well being held Confidential, please let me know.

Thank you for all your help.

Sharon

This well is being drilled as a "Tight Hole". Entity added 8-31-94. *see*

WELL 5 COMMENTS:

Signature Edward W. McIlroy
 Representative for Petral Exp
 Title _____ Date 8-30-61
 Phone No. (307) 265-4351

McILNAY

McILNAY & ASSOCIATES, INC.

2305 OXFORD LANE • CASPER, WY 82604 • (307) 265-4351 • FAX (307) 473-1218

PETROLEUM CONSULTING ENGINEERS & PROPERTY MANAGEMENT

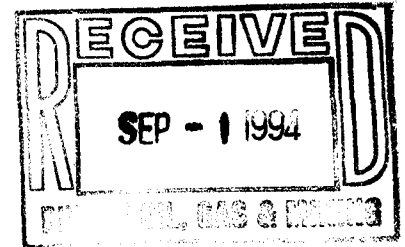
REGISTERED PROFESSIONAL ENGINEERS

August 30, 1994

State of Utah
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Ste. 350
Salt Lake City, Utah 84180-1203

Attn: Mr. Fronk R. Matthews

Re: Petral Exploration LLC, #1 REA-Springbank,
SE NE Sec. 2-T38S-R24E, San Juan Co., UT



Dear Mr. Matthews:

By this letter we are transmitting Form 6, Entity Action Form for the above referenced well. The well was spudded 8-26-94 with a 17 1/2" pilot hole.

This well is a "Tight Hole" and we are requesting all information be held CONFIDENTIAL.

If you have any questions, please do not hesitate to contact us.

Sincerely,

McILNAY & ASSOCIATES, INC.

Sharon Orr
Sharon Orr

so

cc: Petral Exploration LLC
Rose Exploration Associates

ENTITY ACTION FORM - FORM 6

OPERATOR Petral Exploration LLC

OPERATOR ACCT. NO. 11

ADDRESS P.O. Box 5083

Denver, CO 80217

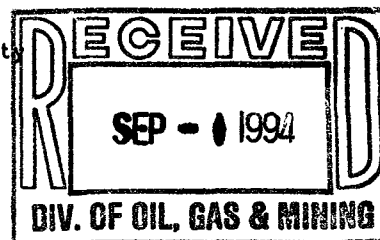
ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
A			43-037-31746	#1 REA Springbank	SE NE	2	38S	24E	San Juan	8/26/94	
WELL 1 COMMENTS: This well is being drilled as a "Tight Hole".											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other: (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

(3/89)



Edward W. McIlnay
Signature McIlnay & Associates, Inc.
Representative for Petral Exp.
Title _____ Date 8-30-94
Phone No. (307) 265-4351

McILNAY

McILNAY & ASSOCIATES, INC.

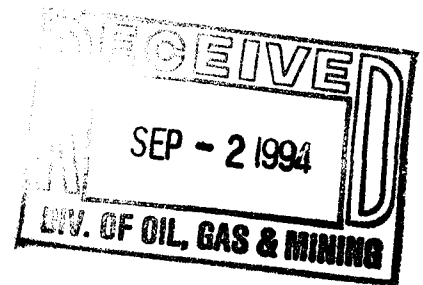
2305 OXFORD LANE • CASPER, WY 82604 • (307) 265-4351 • FAX (307) 473-1218

PETROLEUM CONSULTING ENGINEERS & PROPERTY MANAGEMENT

REGISTERED PROFESSIONAL ENGINEERS

August 31, 1994

Mr. K. Michael Hebertson
State of Utah
Division of Oil, Gas and Mining
355 West North Temple,
3 Triad Center, Ste. 350
Salt Lake City, UT 84180 - 1203



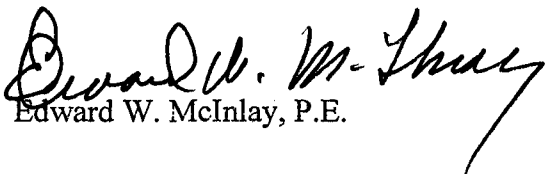
Re: Confidentiality Request for Petral Exploration, LLC,
#1 REA-Springbank, SE NE Sec. 2-T38S-R24E, San Juan Co., Utah

Dear Mr. Hebertson:

On behalf of our client, Petral Exploration, LLC, we are requesting all drilling, completion and production information on the #1 REA Springbank well be held confidential for the period allotted by the State of Utah.

Sincerely,

McILNAY & ASSOCIATES, INC.


Edward W. McInlay, P.E.

EWM/so

cc: Petral Exploration, LLC
Rose Exploration Associates

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

St. Louis
Bud H
Micro
File
Debra

Route original/copy to:

☐ Well File #1 REA

☐ Suspense

☐ Other

Springbank
(Location) Sec 2 Twp 38S Rng 24E
(API No.) 43-037-31746

(Return Date) _____

(To - Initials) _____

1. Date of Phone Call: 9/9/94 Time: 8:30

2. DOGM Employee (name) Frank Matthews (Initiated Call ☐)
Talked to:

Name Larry Miller (Initiated Call ☒) - Phone No. 37, 265-4351
of (Company/Organization) McIlroy & Assoc. Inc

3. Topic of Conversation: Plugging Orders

4. Highlights of Conversation: Log Tops. Skinarump 2415' - Butler
2557' - Hermosa 4330' - La Sal 5231' - Upper
Damay 5557' (carbonate tight) Hammer sh. 5106
Lower Damay 5733' - Gothic shale 5782' - Upper Nesut Creek 5808'
Lower Nesut Creek 5840' (carbonate tight) Chimney Rock shale 5879'
akah 5900' TD 5919 Logger. No water No tests
run.

PLUGGING ORDERS

Dj + I conferred on
plugging instructions.

35 sx. - 5840' - 5740'

50 sx. - 5650' - 5500'

35 sx. - 3000' - 2900'

50 sx. - 1875' - 1775'

15 sk @ surface

- Marker -

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
CEMENTING OPERATIONS

COMPANY NAME: PETRAL EXPLORATION LLC API NO: 43-037-31746

WELL NAME: REA-SPRINGBANK #1

QTR/QTR SE/NE SECTION 2 TOWNSHIP 38S RANGE 24E

CEMENTING COMPANY: HALLIBURTON WELL SIGN: NO

INSPECTOR: DAVID W. HACKFORD DATE: 8/30/94

SURFACE CASING: YES INTERMEDIATE: _____ PROD CASING: _____

PERFORATIONS: NO SQUEEZE PRESSURE: NA

CASING INFORMATION:

SIZE: 8 5/8" GRADE: J55 HOLE SIZE: 12 1/4" DEPTH: 1776'

SLURRY INFORMATION:

1. CLASS: HALLIBURTON LIGHT CLASS G 2% CACL
LEAD: 800SX 2% CACL TAIL: 220SX

2. SLURRY WEIGHT LBS. PER GALLON:
LEAD: 13.6 TAIL: 15.6

3. WATER (GAL/SX)
LEAD: 7.7 TAIL: 5.2

4. COMPRESSIVE STRENGTH:
PSI @ 525 HRS. 24 HRS

PIPE CENTRALIZED: YES CEMENTING STAGES: ONE

LOST RETURNS: NO REGAIN RETURNS: _____ BARRELS LOST: 0

TOP OF CEMENT: SURFACE PERFORATED INTERVAL: N/A

PRIMARY CEMENT TO SURFACE: YES

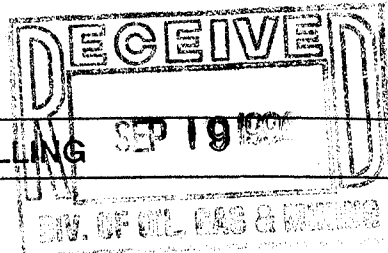
1 INCH INFORMATION: WEIGHT: 15.6 CEMENT TO SURFACE: Y

FEET: 100' SX: 100 CLASS: G %SALTS: 2% RETURNS: YES

ADDITIONAL COMMENTS: LEAD CMT. 25# /SACK FLOCELE YIELD 1.54.
AFTER PLUG BUMPED, CMT FELL SLOWLY 5' THEN HELD. RUN IN 100' 1"
AND DISPLACED WITH WATER. WOC 1 HOUR. PUMPED 100 SX CLASS G 2%
CACL TO SURFACE. COMPANY MAN DID NOT WANT HALLIBURTON LIGHT CMT
AT SURFACE.

EP 16192

DIV. OF OIL, GAS & MINING



REPORT OF WATER ENCOUNTERED DURING DRILLING

1. Well name and number: #1 REA-Springbank

API number: 49-037-31746

2. Well Location: QQ SE NE Section 2 Township 38S Range 24E County San Juan

3. Well operator: Petral Exploration LLC
c/o McIlnay & Associates, Inc.
Address: 2305 Oxford Lane

Casper, WY 82604

Phone: (307) 265-4351

4. Drilling contractor: Four Corners Drilling Co.

Address: Box 1067

Farmington, NM 87499

Phone: (505) 326-3371

5. Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
		No water encountered	

6. Formation tops:

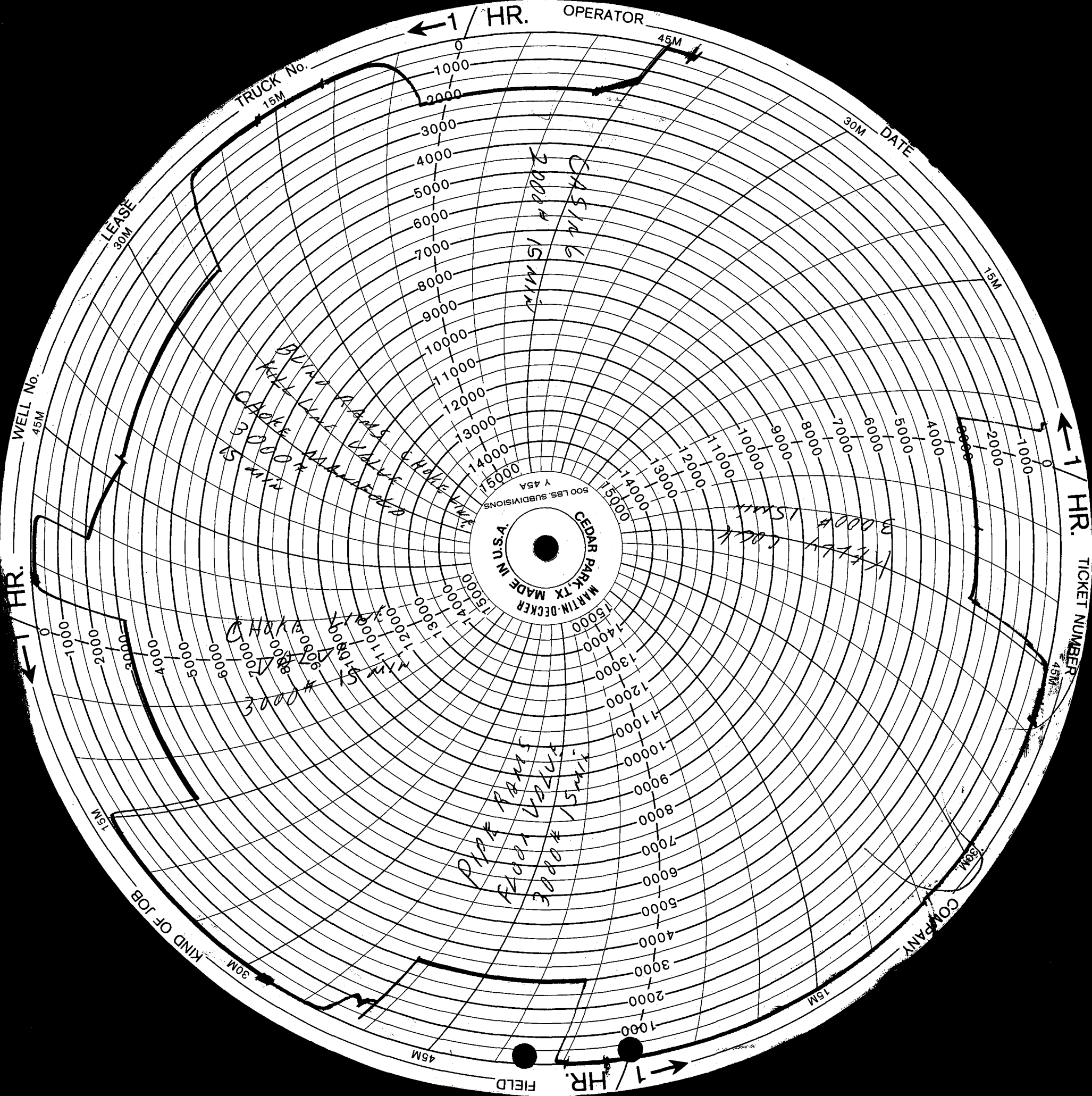
If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I hereby certify that this report is true and complete to the best of my knowledge.

Date: September 13, 1994

Name & Signature:

Title: McIlnay & Associates, Inc.
Consulting Engineers

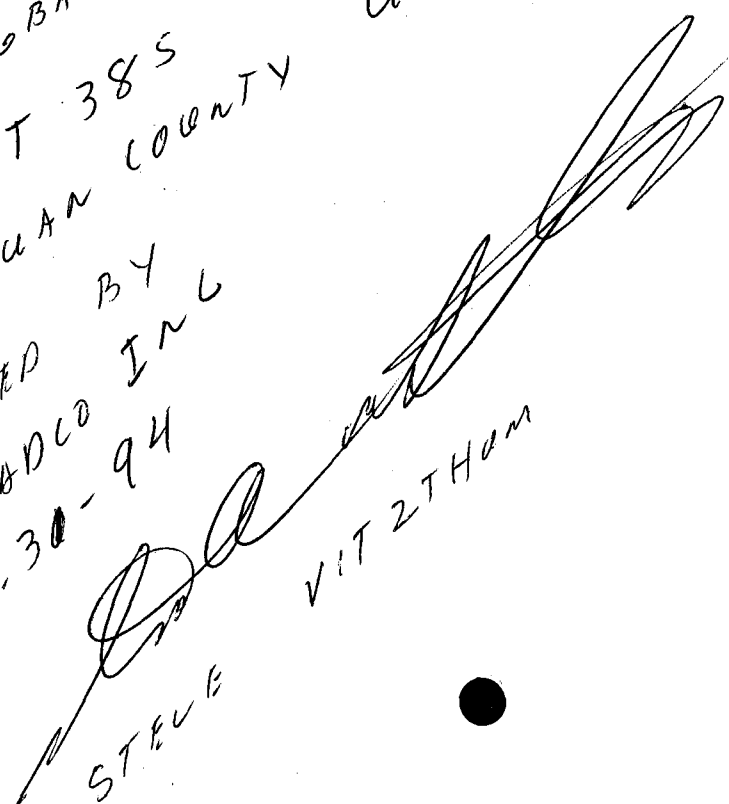


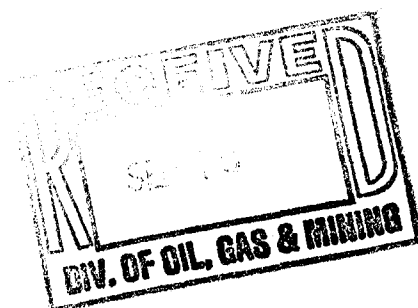
PETRAAL EXPLORATION
CO/MOILNAY & ASSOCIATES
REA-SPRINGBANK #1

SEC 2 T 38S

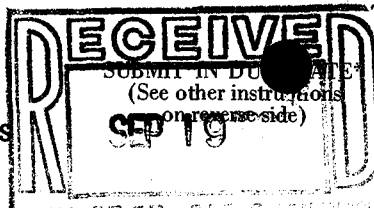
SAN JUAN COUNTY
TESTED BY
QUADCO INC
8-30-94

R 24E
UTAH


STEVE VITZHAM



CONFIDENTIAL
STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING



WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

5. LEASE DESIGNATION AND SERIAL NO.

State ML-36200

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NA

7. UNIT AGREEMENT NAME

NA

8. FARM OR LEASE NAME

REA-Springbank

9. WELL NO.

#1

10. FIELD AND POOL, OR WILDCAT

Undesignated

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

NE SE NE Sec. 2-38S-24E

12. COUNTY OR PARISH

San Juna

13. STATE

Utah

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

5233.0 KB 5221.0 GL

19. ELEV. CASINGHEAD

1a. TYPE OF WELL:

OIL WELL ☐GAS WELL ☐DRY ☒

Other _____

b. TYPE OF COMPLETION:

NEW WELL ☒WORK OVER ☐DEEP-EN ☐PLUG BACK ☐DIFF. RESVR. ☐

Other _____

2. NAME OF OPERATOR

Petral Exploration LLC

3. ADDRESS OF OPERATOR c/o McIlnay & Associates, Inc.

2305 Oxford Lane, Casper, WY 82604

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

1388' FNL and 466' FEL
At top prod. interval reported below

At total depth

1345' FNL & 419' FEL @ 5509'

14. PERMIT NO.

49-037-31746

DATE ISSUED

7-28-94

15. DATE SPUDDED

8/26/94

16. DATE T.D. REACHED

9/8/94

17. DATE COMPL. (Ready to prod.)

9/10/94

20. TOTAL DEPTH, MD & TVD

5923 DRLR

21. PLUG, BACK T.D., MD & TVD

Surface

22. IF MULTIPLE COMPL., HOW MANY*

23. INTERVALS DRILLED BY

ROTARY TOOLS

CABLE TOOLS

0 - 5923'

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

None

25. WAS DIRECTIONAL SURVEY MADE

Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN

DLR/MSFL, FDC/CNL, BHC, SHDT

27. WAS WELL CORED

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	61#	76'	17 1/2"	150 sks. cement	None
8 5/8"	24#	1776.98' KB	12 1/4"	900 sks. cement	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

30. TUBING RECORD

31. PERFORATION RECORD (Interval, size and number)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33. PRODUCTION

DATE FIRST PRODUCTION NA		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

Directional survey attached. Logs and geological report to be submitted under separate

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records cover.

SIGNED

TITLE Consulting Engineers

DATE 9-13-94

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES:

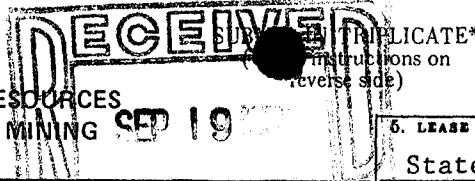
SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
No. DST's			
Directional surveys attached			

38. GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
Log tops		
Shinarump	2415'	
Cutler	2557'	
Hermosa	4330'	
LaSal	5231'	
Upper Ismay	5557'	
Hovenweep	5706'	
Lower Ismay	5733'	
Gothic Shale	5782'	
Up. Desert Crk.	5808'	
Lo. Deserc Crk.	5882'	
Chimney Rock	5878'	
Akah	5900'	
Log T.D.	5918'	

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING



CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER Dry		5. LEASE DESIGNATION AND SERIAL NO. State ML-36200	
2. NAME OF OPERATOR Petral Exploration LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA	
3. ADDRESS OF OPERATOR c/o McIlnay & Associates, Inc. 2305 Oxford Lane, Casper, WY 82604		7. UNIT AGREEMENT NAME NA	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1388' FNL and 466' FEL		8. FARM OR LEASE NAME REA-Springbank	
14. PERMIT NO. 49-037-31746		9. WELL NO. #1	
15. ELEVATIONS (Show whether DF, RT, OR, etc.) 5233 KB 5221' GL		10. FIELD AND POOL, OR WILDCAT Undesignated	
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA NE SE NE Sec. 2-T38S-R24E	
		12. COUNTY OR PARISH San Juan	13. STATE UT

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

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☐
☐

PULL OR ALTER CASING

☐
☐
☐
☐
☐

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON*

REPAIR WELL

CHANGE PLANS

(Other)

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

☐
☐
☐
☐

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

☐
☐
☒
☐

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Well was spudded 8-26-94 with a 17½" conductor hole. 13 3/8" conductor pipe was cemented in place @ 76' and a 8 5/8" surface hole was drilled to 1777'. 8 5/8" surface casing was set @ 1776.98' KB with 900 sks. cement. A 7 7/8" hole was drilled to T.D. @ 5923' (DRLR). No zones of oil and/or gas quantities were encountered. Verbal permission was granted by Mr. Frank Matthews and the well was plugged as follows 9-10-94.

35 sks. 5840 - 5740' 10.4#/gal mud ladden fluid was utilized.

50 sks. 5650 - 5500'

35 sks. 3000 - 2900'

50 sks. 1850 - 1200'

15 sks. 40 - 0' with dry hole marker installed.

Pit was fenced and location will be rehabilitated as per State of Utah specifications.

Notification will be given upon completion of restoration operations.

18. I hereby certify that the foregoing is true and correct

SIGNED

Edward W. McIlnay

TITLE

Consulting Engineers

McIlnay & Associates, Inc.

DATE

9-13-94

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

**ROSE
EXPLORATION
ASSOCIATES**

518 17th street - suite 1200 - denver, colorado 80202 - (303) 595-0455

Mr. Frank Matthews
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

September 19, 1994

CONFIDENTIAL

Re: PETRAL EXPLORATION #1 REA-Springbank
Section 2, T38S R24E, San Juan County, Utah

Dear Mr. Matthews:


Enclosed please find the mud log and computed dipmeter log on the above captioned well.
The other mechanical logs run on this well were forwarded to you last week.

Per the letter to the Division from Mr. Ed McIlnay, we request that these logs be held
CONFIDENTIAL for the period of time specified by State regulations.

On behalf of our clients and ourselves, we thank you for your assistance during the permitting
and drilling of this well.

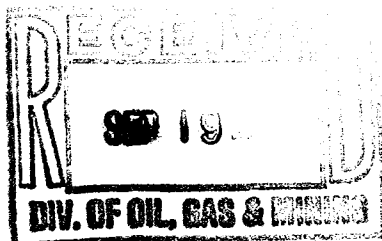
Sincerely,

ROSE EXPLORATION ASSOCIATES


M.E. Wynne
Geologist

Encl

cc: Ms. Dianne Shroyer, Petral Exploration
Mr. Ed McIlnay, McIlnay and Associates
Well file



PETRAL

REA - SPRINGBANK # 1

Vert. Sect. Dir. = N .0000 E Calculations using the Radius of Curvature Method										
Meas. Depth	Hole Ang.	T.V.D.	V. S. Dist.	Hole Dir.	Total Lat.	Coordinates Dep.	C L O S U R E S		D. L.	
							Distance	Direction	Sev.	
1888	.50	1888.00	-.85	S 77.00 E	.85 S	.20 E	.87 S	13.2405 E	.00	
2039	1.00	2038.99	-1.46	S 67.00 E	1.46 S	2.08 E	2.54 S	54.9003 E	.34	
2153	.75	2152.97	-1.77	N 88.00 E	1.77 S	3.78 E	4.17 S	64.8238 E	.40	
2275	.50	2274.97	-1.67	N 83.00 E	1.67 S	5.10 E	5.37 S	71.8714 E	.21	
2401	.50	2400.96	-1.51	N 80.00 E	1.51 S	6.19 E	6.37 S	76.3079 E	.02	
2660	1.25	2659.93	.17	N 49.00 E	.17 N	9.72 E	9.72 N	88.9729 E	.34	
3159	1.25	3158.81	8.65	N 28.00 E	8.65 N	16.45 E	18.59 N	62.2807 E	.09	
3626	1.00	3625.72	15.78	N 49.00 E	15.78 N	22.13 E	27.18 N	54.5068 E	.10	
4110	1.25	4109.63	21.36	N 59.00 E	21.36 N	29.81 E	36.67 N	54.3756 E	.07	
4589	1.25	4588.51	27.42	N 50.00 E	27.42 N	38.31 E	47.11 N	54.4032 E	.04	
5066	1.25	5065.40	35.76	N 22.00 E	35.76 N	44.36 E	56.98 N	51.1308 E	.13	
5509	.75	5508.33	43.02	N 18.00 E	43.02 N	47.01 E	63.72 N	47.5351 E	.11	

Bottom Hole Closure 63.72 at N 47.5351 E

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUBMIT **TRIPPLICATE***
 (Other instructions on
 reverse side)

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
 Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/> Dry		5. LEASE DESIGNATION AND SERIAL NO. State M1-36200	
2. NAME OF OPERATOR Petral Exploration, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA	
3. ADDRESS OF OPERATOR c/o McIlnay & Associates, Inc. 2305 Oxford Lane, Casper, WY 82604		7. UNIT AGREEMENT NAME NA	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1388' FNL and 466' FEL		8. FARM OR LEASE NAME REA-Springbank	
14. PERMIT NO. 43-037-31746		9. WELL NO. #1	
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 5233' KB 5221' GL		10. FIELD AND POOL, OR WILDCAT Undesignated	
16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA NE SE NE 2-38S-24E	
12. COUNTY OR PARISH San Juan		13. STATE UT	

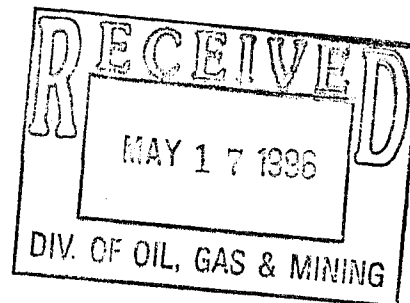
16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) Completed reclamation <input checked="" type="checkbox"/>	
(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)			

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Final reclamation and seeding was completed the end of 1995.
 Therefore, we are requesting inspection and subsequent bond release.

cc: Mr. Ed Boner, State Land & Forestry



18. I hereby certify that the foregoing is true and correct

SIGNED *Edward W. McIlnay* Consulting Engineers
 TITLE McIlnay & Associates, Inc. DATE May 14, 1996

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY: